



Daily Report

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Daily Report

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General

U.S. Policy on European Arms Cuts Analyzed

OW1703052189 Beijing Domestic Service in Mandarin
0530 GMT 10 Mar 89

[From the "International News and Current Events" program]

[Text] The following is a news analysis entitled "U.S. Gratification With and Worries Over the Conventional Arms Cuts in Europe" written by (Wei Guoqiang), reporter of the XINHUA News Agency.

At a meeting of foreign ministers of the European Security Conference on 6 March, Soviet Foreign Minister Shevardnadze presented a new arms cuts proposal, calling on the North Atlantic Treaty Organization [NATO] and the Warsaw Treaty Organization [WTO] to reduce their respective military strength to the level of 85 to 90 percent of the current NATO military strength within the next 3 years.

U.S. President Bush and Secretary of State Baker immediately welcomed the Soviet proposal. Some personages in the United States and in the West believe that the Soviet proposal has a great deal in common with the stand persistently maintained by the West over a long period of time. However, Baker also warned U.S. allies that they should not be cheated by the Soviet arms cuts proposal, which appears thorough but unrealistic.

The European conventional arms reduction conference was held after detente appeared in international situation following the signing of the Intermediate Nuclear Forces [INF] Treaty between the United States and the Soviet Union. Due to its consideration for the needs of reform and development for maintaining the trend of detente, the Soviet Union seems more eager to reach an arms cuts agreement with the countries in the West. So far as the United States is concerned, the large-scale reduction of conventional arms in Eastern Europe by the Soviet Union will be conducive to security of the West in terms of military threat; in terms of political maneuver, the West will have more opportunities that can be exploited in relations between the Soviet Union and East Europe. Therefore, the United States would very much like to take advantage of Soviet eagerness to force the latter to make more concessions.

Besides, the U.S. domestic demand for trimming military expenditures and the presence in Europe is also mounting day by day. If an agreement can be reached with the Soviet Union on reducing conventional arms in Europe, it would also help the United States alleviate its financial crisis.

However, the United States is not entirely free of misgivings and doubts regarding the prospect of reaching an agreement. The United States is worried that once an agreement is reached on conventional arms reduction,

Gorbachev's popularity will further increase in West Europe. The West European countries will take even more initiatives to develop their political and economic relations with the Soviet Union and East Europe. Furthermore, the need by the United States to continue to strengthen its defense and maintain and renovate tactical nuclear weapons deployed in West Europe will meet with even greater resistance. The United States and West Europe will inevitably further widen their differences over their estimate of the Soviet strategic intentions and their strategy against the Soviet Union.

In addition, the talks on conventional arms reduction cover a very wide range. The issues concerning the areas of troops and arms reduction and their verifications are also very complicated. Coupled with the fact that the United States and the Soviet Union do not trust each other and that both sides never lower their guard against each other, people predict that, under the current international situation, it would be very unlikely for the conference to reach an agreement in the near future.

Border Trade Up in 1988; Soviet Trade Doubled

OW1603231989 Beijing XINHUA in English
1258 GMT 16 Mar 89

[Text] Beijing, March 16 (XINHUA)—China's border trade with neighboring countries reached 653 million U.S. dollars last year—1.3 times more than in 1987.

The countries include the Soviet Union, Mongolia, the Democratic People's Republic of Korea, Pakistan, Nepal, Burma and Laos.

Border trade between China and the Soviet Union was 274 million U.S. dollars, an increase of 2.1 times more than in 1987.

Heilongjiang Province, Inner Mongolia and the Xinjiang Uygur Autonomous Region are the main areas engaged in border trade with the USSR.

Border trade between China's Inner Mongolia Autonomous Region and Mongolia more than doubled, reaching a total of 9.24 million U.S. dollars in the same period.

Border trade between the Tibet Autonomous Region and Nepal hit 12 million U.S. dollars last year. The region exports oil seeds, live sheep, cloth products and carpets and imports automobile spare parts, medicine, television sets and bikes.

Yunnan Province's border trade with Burma was worth 23 million U.S. dollars, while that with Laos reached five million U.S. dollars.

The volume of border trade between Jilin and Liaoning Provinces in northeast China and Korea reached 112 million U.S. dollars last year.

Anhui Governor Meets Foreign Businessmen
OW1703013089 Hefei Anhui Provincial Service
in Mandarin 1100 GMT 8 Mar 89

[By reporter Chen Baoyun]

[Text] Governor Lu Rongjing and Vice Governor Wu Changqi met foreign businessmen attending the Fifth Anhui Foreign Trade Fair at Daojianglou Guesthouse in Hefei on the afternoon of 7 March.

During the meeting, Lu Rongjing extended a warm welcome to businessmen from such Western European and North American countries as the United States, Canada, West Germany, the Netherlands, and Switzerland, as well as Taiwan, Hong Kong, and other countries and regions.

The governor said: With good geographical location, convenient transportation, and rich resources, Anhui has great potential and enjoys exceptional advantages in developing economic relations and trade with foreign countries. Anhui, which used to be an agricultural province, made a late start in foreign trade, which has developed rapidly through our efforts over the past several years. Presently, we are trying to promote foreign trade with our unique resources.

The governor continued: The current drive to improve the economic environment and rectify the economic order will not affect the basic national policy of reform and opening. On the contrary, the drive will provide a good opportunity for Anhui to accelerate its development, and bring into play our advantages in agriculture and the energy, building materials, light, textile, and food industries. There should be no misgivings about the drive, which aims to rectify confusions incompatible with the reform and opening policy and establish a new wholesome economic order. Anhui will make good use of the opportunity of the drive to further promote friendship and cooperation with countries and regions based on an equal footing and mutual benefit for accelerating the development of the province's export oriented economy.

Among those attending the meeting were (Lin Qisheng), deputy secretary general of the provincial government, officials of relevant departments, and managers of 10 foreign trade companies in Anhui.

United States & Canada

Bush Administration Mideast Peace Plan Examined
HK1703113689 Beijing RENMIN RIBAO in Chinese
17 Mar 89 p 4

["International Outlook" Column by reporter Zhang Qixin (1728 0796 2500): "The Bush Administration's Ideas on Middle East Peace"]

[Text] During the visit of Israeli Foreign Minister Arens to the United States, the U.S. Government put forward its program on Middle East peace. American public

opinion held that the first round of senior-level talks between the Bush administration and Israel showed that the United States was ready to take a new step on the Middle East issue.

It was under a new situation that the Bush administration put forward its Middle East peace program. In the past 6 months, major changes have occurred in the Middle East situation, while the United States was undergoing the transition from an old administration to a new one and could not give full consideration to the Middle East issue. So its action seemed a bit tardy. As the Israeli Government rejected the reconciliation proposals and the tense situation in the West Bank and Gaza Strip lasted for 15 months and was not eased, the peace process came to a standstill. At the same time, because the PLO adjusted its policies and took new actions, the international community and West European countries ardently hoped for the appearance of an opportunity for realizing peace in the Middle East. The Soviet Union has also begun to carry out active diplomatic activities in the Middle East region. The active international environment forced the United States to consider its own reaction and prompted it to take rapid action lest it lag behind and lose initiative on this issue.

According to the revealed information, the U.S. program on Middle East peace designed a "two-phase" peace process, and its main contents include the following points: Israeli and the PLO first separately take action to ease the situation in the occupied areas, then begin to discuss the "final settlement program," which will guarantee Israel's security and will also satisfy the Palestinian people's desire for national self-determination. The U.S. officials concerned stressed that both Israel and the PLO must undertake certain commitments for the final settlement of the Middle East issue. This made the Arab countries feel that the United States not only tried to ease the tense situation and terminate the Palestinian people's resistance, but also tried to improve the local atmosphere by taking some concrete steps. In this sense, it seems that the Bush administration tries to show some differences between its approach to the Middle East issue and that of the previous administration.

However the U.S. peace program now stresses easing the tense situation in the West Bank and Gaza Strip. Recently, the United States worked out some concrete steps and required Israel and the PLO to put them into practice. It is said that in the talks, the United States asked Israel to release some of the Palestinians who were arrested during the struggle, stop or restrain the taking of Palestinians into custody, reopen schools in the occupied areas, and so on. On the other hand, the United States also planned to begin official talks between Pelletreau, U.S. Ambassador to Tunisia, and the PLO representative. The United States would ask the PLO to make certain concessions to Israel, including stopping violent demonstrations and strikes in the West Bank and Gaza Strip, stopping raids against Israeli troops in southern Lebanon, and stopping the spread of leaflets. The United

States held that only through these steps can direct negotiations be held between Israel and the PLO and between Israel and the Palestinian people in the West Bank and Gaza Strip. Critics of this U.S. program held that the United States set more demands on the PLO than on Israel and showed a biased attitude, but some American newspapers held that it is desirable if the United States can make use of its longstanding and profound relations with Israel and the favorable condition of U.S.-PLO dialogue to promote the holding of a certain form of Israel-PLO negotiations.

However, now, the United States can only put forward some principled ideas on how to realize long-lasting peace in the Middle East region. For example, the present U.S. policy is to promote direct talks, and the United States holds that the conditions for holding a Middle East peace conference are not ripe at this moment, but it does not rule out the possibility of holding an international conference. The United States also holds that maybe one day people will find that Middle East peace depends on direct talks between Israel and the PLO. This indicates that the United States has not worked out a long-term plan.

The above-mentioned U.S. program was first criticized by Israel. Israeli Foreign Minister Arens said during his visit to Washington that in spite of changes in the past months in the Middle East, the Israeli Government headed by Shamir will not retreat from its original position. It seems that if the United States tries to accomplish something on the Middle East issue, it will still have to first prompt Israel to change its attitude.

Soviet Union

Soviet Claims Defensive Posture Ups Readiness
HK1603094789 Beijing RENMIN RIBAO in Chinese
14 Mar 89 p 3

[XINHUA report: "Soviet Chief of General Staff Says Soviet Union's Paying Attention to Defense Is Not a Passive Act"—XINHUA headline]

[Text] Moscow, 13 Mar (XINHUA)—Chief of the General Staff of the Soviet Armed Forces Moiseyev [MO YI XIE YE FU 5459 0122 6200 5102 1133] published an article in PRAVDA today, emphasizing that "the defensive nature of Soviet military theory is not to lower but to heighten the standard of war preparedness of the armed forces." "We have sufficient ability and determination to prevent anybody from bargaining with us from a position of strength," he said.

Moiseyev succeeded Akhromeyev as the Chief of the General Staff of the Soviet Armed Forces last December.

In his article entitled "Soviet Military Theory: Implementation of Its Defensive Orientation," Moiseyev criticized the military budget report of the U.S. Secretary of

Defense which claimed "to exert strong pressure on the Soviet Union" and "to exhaust the Soviet Union in the arms race and the vicious circle of antagonism."

Moiseyev pointed out: Although both the Soviet Union and the United States and both the Warsaw bloc and NATO "firmly deny that the threat of war is from their side," the official representatives of the United States and NATO keep declaring that "the Soviet Union and other members of the Warsaw Pact are their military enemies."

This Soviet military leader emphasized: "We are going to imbue our armed forces with new quality," "and we will try to rationally reorganize our scientific research setup and to shorten the time lag for scientific results to be applied to military practice."

Moiseyev noted that the Soviet Union's attaching prime importance to defense in the strategic, campaign, and tactical training of its armed forces is by no means a "passive act," and it does not mean to "surrender the initiative to the aggressor."

It is noted that this important article by Chief of the General Staff of the Soviet Armed Forces Moiseyev was published at a time moment when talks on the reduction of conventional forces in Europe had just begun in Vienna and the Warsaw bloc's announcement on unilateral disarmament had not yet received any positive response from NATO.

Beijing To Trade Korean TV's to Soviets
SK1503101189 Seoul YONHAP in English
0951 GMT 15 Mar 89

[Text] Seoul, March 15 (YONHAP)—South Korean-made color television receivers are expected to be included in the items to be traded at the border between China and the Soviet Union this year, informed business sources here said Wednesday.

Sources disclosed that China is seeking to import about 200,000 units of TV sets from South Korea's leading home appliances maker, the Goldstar Co, this year to reexport them to the Soviet Union through border trade. China, which has engaged in compensation trade with the Soviet Union through its border, has felt difficulty in securing enough amounts of that product from its domestic market, they explained.

The color TV receivers will bear Goldstar's own trademarks and manifestation of their origin, they went on to say.

The sources predicted that Goldstar's export of TV sets to China would keep increasing should the two socialist giants continue expanding their border trade. The annual border trade volume hovers around 400 million U.S. dollars in value, according to the sources.

Northeast Asia

DPRK Denounces U.S.-South Korea Exercises
HK1603114589 Beijing RENMIN RIBAO in Chinese
14 Mar 89 p 3

[Dispatch by reporter Xu Baokang (1776 1405 1660): "Korean People's Armed Forces Department Issues Statement Denouncing U.S.-South Korean Military Exercises"]

[Text] Pyongyang, 13 Mar (RENMIN RIBAO)—The Korean People's Armed Forces Department today issued a statement to strongly condemn the "Team Spirit 89" military exercises being held by the United States and South Korea. The statement also pointed out that this is an intolerable challenge to the peace efforts made by the northern part of Korea and a criminal act against the world's trend of detente.

The statement said: The "Team Spirit 89" joint military exercises have not only spoiled the atmosphere for dialogue but have also seriously threatened the dialogue between North and South. This has fully proved that the tune of "peace" and "detente" that the United States and South Korea have played is nothing but a deceptive talk. No matter how loudly the United States and South Korea claim their military exercises to be "defensive training," they can never conceal the offensive and provocative nature of the military exercises.

The statement finally demanded that the United States immediately stop military exercises and withdraw all its troops and weapons from South Korea.

Southeast Asia & Pacific

Thai Prime Minister Chunhawan Concludes Visit

Meets Deng Xiaoping
OW1703073289 Beijing XINHUA in English
0638 GMT 17 Mar 89

[Text] Beijing, March 17 (XINHUA)—Senior Chinese leader Deng Xiaoping met with Thai Prime Minister Chatchai Chunhawan here this morning.

At the beginning of their conversation, Deng said China has "good relations" with the ASEAN countries. Although China and Indonesia have not yet restored their diplomatic relations, he said, it seems that Indonesian President Suharto "has already made up his mind" and there exists the "hope" that the two countries will normalize their relations.

Deng also recalled his three previous meetings with Chatchai Chunhawan who he said is "an old friend of ours".

Discusses Cambodia With Deng
HK1703095489 Beijing ZHONGGUO XINWEN SHE
in Chinese 0849 GMT 17 Mar 89

[Report by Li Wei (2621 0251): "Deng Xiaoping Elaborates on the Cambodian Issue"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 17 Mar (ZHONGGUO XINWEN SHE)—This morning, Deng Xiaoping said to Thai Prime Minister Chatchai: The withdrawal of Vietnamese troops from Cambodia means the withdrawal of all armed forces made up of Vietnamese, including the tens of thousands of Vietnamese hidden among the troops under Heng Samrin and Hun Sen and the Vietnamese immigrants hidden among Cambodian militiamen. If these Vietnamese do not leave Cambodia, there will be hidden factors for a civil war. In addition, it is also necessary to establish a quadripartite provisional coalition government headed by Prince Sihanouk.

The Cambodian issue was the main topic for discussion during their 100-minute talks. During the talks, Deng Xiaoping elaborated on his views on this issue.

He said: The Cambodian issue should be settled thoroughly [gan jing jie jue 1626 0403 6043 0414] and without bringing about a situation similar to that in Afghanistan. On the Cambodian question, China adheres to three principles: First, Vietnam must genuinely withdraw all its troops from Cambodia before the issue can be settled politically; second, the establishment of a coalition government headed by Prince Sihanouk with international guarantees; and third, the elimination of factors that would lead to a civil war. China suggests that the four Cambodian parties each reduce their troops.

Deng Xiaoping said: Vietnam is now very cocky [qiao wei ba 5062 1442 1572]. Whether what it says can be trusted will depend on the course of action it takes.

Deng Xiaoping stressed: The Cambodian issue is very complicated. In substance, this issue is a result of Vietnamese aggression against Cambodia. This is a major matter of principle. It is necessary to settle the Cambodian issue, but never to help the aggressors. The most important thing to do in settling the issue is the withdrawal of Vietnamese troops from Cambodia.

Deng Xiaoping indicated: On the Cambodian question, China and Thailand have been cooperating very well. He expressed his hope that they would continue to cooperate with each other.

He added: In Southeast Asia, China's best friend is Thailand, and there are broad prospects for Sino-Thai cooperation.

Chatchai said that he completely agreed with the three principles for settling the Cambodian issue which Deng Xiaoping had elaborated.

Chatchai told Deng Xiaoping: The Thai people still remember that when he visited Thailand in 1979, he attended the Thai crown prince's tonsure ceremony. He added: Thailand's decision to establish diplomatic relations with China has been a correct one. Although the two countries have different social systems, they can develop close and friendly relations.

The talks were held in the Fujian Room at the Great Hall of the People.

At the beginning of their talks, Deng Xiaoping first recalled the four occasions on which he met with Chatchai.

Deng Xiaoping said to Chatchai: Were you present when Prime Minister Kukrit met with Chairman Mao in 1975? Chatchai said: I was. Deng said: I was also present. At that time, Premier Zhou was seriously ill. I was performing his duties for him.

Deng Xiaoping said: The second time we met was in 1979, when I visited Thailand. I am grateful to your hospitality. On that occasion, Mrs Chatchai sang a song. Her voice was beautiful. We were friendly to each other, thus embodying the long-standing friendship between the peoples of the two countries. The third time we met was in 1985. This is our fourth meeting. We are old friends and most of the people present are old friends, too.

After that, Deng Xiaoping switched to another subject and said: It should be said that there are good relations between ourselves and all ASEAN members. Although we have not established diplomatic relations with Indonesia, we can hope for the normalization of relations now that President Suharto has made up his mind. The normalization of Sino-Indonesian relations will contribute to the further development of the friendship and cooperation between China and the ASEAN.

Talks With Zhao Ziyang

OW1603174989 Beijing XINHUA in English
1559 GMT 16 Mar 89

["Zhao Ziyang: Vietnam Seeks Gains Off the Battlefield"—XINHUA headline]

[Text] Beijing, March 16 (XINHUA)—Zhao Ziyang, general secretary of the Chinese Communist Party Central Committee, said today that the time for a political settlement of the Kampuchean issue is approaching, but difficulties still block the way.

Vietnam had earlier promised to withdraw its troops from Kampuchea by September, Zhao noted at a meeting with Thai Prime Minister Chatchai Chunhawan this afternoon. But it went back on its word recently, and imposed some preconditions.

Zhao said the fact that Vietnam opposes the setting up [of] a four-party coalition government headed by Prince Norodom Sihanouk shows that it is still trying to form a government built around the Heng Samrin-Hun Sen clique.

"This also serves to show that Vietnam is trying to fish for what it failed to gain on the battlefield," he said. "Therefore, the international community should keep its pressure on Vietnam, and force it to change its policies."

Zhao said China and Thailand always support each other on the Kampuchean issue. The two countries should continue to join hands, pushing for an early settlement of the problem.

Chatchai agreed that his country and China hold identical or similar views on Kampuchea. He said both countries demand the withdrawal of Vietnamese troops.

Now that the world situation is forcing Vietnam to withdraw its troops, he said, Vietnam should live up to its word about the September deadline.

Zhao said a "very good relationship" existed between China and Thailand. Bilateral cooperation in every field has achieved satisfactory results.

"There is a lot to do in Sino-Thai economic cooperation," he said. "We will give it positive promotion."

Zhao believes that the military confrontation between the superpowers has given way gradually to a contest of national strength. This has "provided a chance for us developing countries."

"We should take advantage of the trend to speed up our own development, so as to narrow the differences between us and the developed countries."

Zhao called Chatchai "a friend respected by the Chinese Government and people" and expressed thanks for his contribution to Sino-Thai friendship.

Chatchai said he has a close bond with China.

After the meeting Zhao held a dinner for Chatchai and his wife.

Attends Reception With Li Peng

OW1703122289 Beijing XINHUA in English
1135 GMT 17 Mar 89

[Text] Beijing, March 17 (XINHUA)—Chinese Premier Li Peng and Thai Prime Minister Chatchai Chunhawan pledged today to further develop friendly bilateral relations and cooperation between their countries.

The two prime ministers spoke at a reception, given by the Chinese People's Association for Friendship With Foreign Countries and the China-Thailand Friendship Association at noon today in the Kunlun Hotel.

The 300 Chinese and Thai people present at the reception joined Li and Chatchai Chunhawan in hailing the friendship between the two countries and peoples.

Among those attending were Rong Yiren, vice-chairman of the Standing Committee of the Chinese National People's Congress, Qin Jiwei, state councillor and minister of national defence, Chen Minzhang, minister of public health, and He Kang, minister of agriculture, as well as Thai Foreign Minister Sitthi Sawetsila.

In his toast, Li described Chatchai Chunhawan as one of the founders of China-Thailand friendship and a statesman who had made a great contribution to Sino-Thai friendship and cooperation.

He said the Sino-Thai friendship nurtured by Chatchai Chunhawan and Chinese leaders is now developing rapidly.

China and Thailand established diplomatic relations in 1975 when Chatchai Chunhawan was foreign minister of Thailand. Not long after that, the Thailand-China Friendship Association was established, sponsored by Chatchai Chunhawan, who has been president of the organization since 1988.

Chatchai Chunhawan has said on many occasions that he will be president of the Thailand-China Friendship Association for a long time to come.

The Thai prime minister said the Thailand-China Friendship Association was founded according to the wish of the Thai people and is for the purpose of cementing the friendly relations between the two countries and helping Thai industrialists develop economic co-operation with China.

The Chinese premier said Chatchai Chunhawan's current visit is very successful and will contribute to the promotion of Sino-Thai cooperation and friendly relations in political, economic and other fields.

Zhang Weilie, president of the China-Thailand Friendship Association, also spoke highly of Chatchai Chunhawan's contribution to the Sino-Thai friendship and to the promotion of mutual understanding between the two peoples and the development of trade between the two countries.

Also attending the reception, which was presided over by Zhang Wenjin, president of the Chinese People's Association for Friendship With Foreign Countries, were the

wives of the two prime ministers, a delegation of the Thailand-China Friendship Association and Thai industrialists and businessmen accompanying Chatchai Chunhawan on his visit.

Further on Reception

OW1703142089 Beijing Domestic Service in Mandarin
1030 GMT 17 Mar 89

[Text] According to a station report, Thai Prime Minister Chatchai's official visit to China reached its climax today. Chatchai has been president of the Thailand-China Friendship Association for 10 years.

At a noon reception given by the Chinese People's Association for Friendship With Foreign Countries and the China-Thailand Friendship Association, Premier Li Peng praised Chatchai as one of the founders of China-Thai friendship. China and Thailand must maintain close ties just like close relatives in order to promote technical cooperation between the two countries, he added. Li Peng welcomed Thai entrepreneurs to invest in China, including in Hainan Province. He said that China would create a favorable investment climate for them.

At the reception, Chatchai said his visit was a great success. He said: The Thailand-China friendship Association was founded according to the wishes of the Thai people. Over the past 10 years and more, this association has promoted cooperation and friendly relations between the two peoples.

Before Prime Minister Chatchai and his wife left Beijing for home in the afternoon, Premier Li Peng and his wife bade farewell to the Thai guests at the Diaoyutai State Guesthouse.

Bade Farewell by Li Peng

OW1703114489 Beijing XINHUA in English
1108 GMT 17 Mar 89

[Text] Beijing, March 17 (XINHUA)—Thai Prime Minister Chatchai Chunhawan and his wife wound up their four-day visit to China and left here for home this afternoon.

Chinese Premier Li Peng went to the Diaoyutai State Guesthouse to bid the Thai guests farewell.

Chatchai told Li that his talks with Chinese senior leader Deng Xiaoping this morning were "very beneficial" and invited Li to visit Thailand again.

Qian Qichen Talks With Thai Foreign Minister
*OW1703002289 Beijing Television Service in Mandarin
1100 GMT 16 Mar 89*

[From the "National News Hookup" program]

[Text] [Video shows Chinese Foreign Minister Qian Qichen, Thai Foreign Minister Sitthi, and other Chinese and Thai officials seated in a conference with Qian and Sitthi facing each other]. Foreign Minister Qian Qichen held talks with Thai Foreign Minister Sitthi this afternoon at the Diaoyutai State Guesthouse. The two sides exchanged views on bilateral relations, the Cambodian question, and international issues of common concern.

Credit Agreement Signed With Australian Company
*HK1703095589 Beijing CEI Database in English
17 Mar 89*

[Text] Beijing (CEI)—Australia Export Credit Insurance Company and the Ministry of Foreign Economic Relations and Trade of China have signed a credit agreement of 9 million U.S. dollars which is a part of the 200 million Australia dollar loan on favorable terms provided by [the] Australian Government to China within 3 years.

The projects to be built with Australian aid involve foodstuffs, fodder, scientific research, communications and telecommunications including 125,000 telephones to be installed in Ningbo with 31.7 million U.S. dollars of Australia's loan.

The Australian Government has recently expressed readiness to develop cooperation with China on large- and medium-scale projects.

Australia Promotes Regional Economic Cooperation
*OW1603224289 Beijing XINHUA in English
1445 GMT 16 Mar 89*

[Text] Canberra, March 16 (XINHUA)—It is beneficial to Australia to enhance the regional economic cooperation in the Asia-Pacific, Professor Stuart Harris stressed today.

Professor Harris, former secretary of the Department of Foreign Affairs, told a meeting at the Australian National University that Australia can gain greatly from being on the inside in regional economic cooperation developments.

At the meeting which attracted more than one hundred guests including scholars, diplomats and journalists, he lent support to the conception of the regional economic cooperation initiated by Australian prime minister, but made an objection to forming an organization in Asia along the line of OECD (the Organization for Economic Cooperation and Development).

He said there are three objectives for the regional economic cooperation. First is a political objective, that is to encourage political cohesion and stability by increasing economic interaction, on the presumption that political conflict is likely to be less among countries with close economic relations.

The other two economic objectives are to achieve a stronger voice for the region in global forums and to maximize the gains from greater regional cooperation and coordination of economic activities and policies.

As for why cooperate regionally rather than globally or bilaterally, he said, the overlap of interests within the region is too great for an increasing number of issues to be treated bilaterally. Equally, even ignoring the Eurocentricity of existing global institutions, it is difficult to handle many of the regionally important questions globally.

He noted that countries in the region are vitally concerned about protectionist threats from European and North American developments.

Their concerns are not just about protectionist pressures as targeted particularly on Asia. And protectionist measures in Asia have been grasped in the U.S. in particular as explanations for their own problems, he added.

On the institutional front, he said the existing Pacific Economic Cooperation Conference (PECC) arrangements would need to be enlarged and expanded to meet the likely future needs. PECC was an Australian and Japanese initiative eight years ago.

The institutional issues are largely informal in character, he believed. This informal approach can avoid the intrusion of North-South rhetoric which a formal institution would almost certainly involve, and complex membership issues can not possibly be handled with a fully formal organization.

Near East & South Asia

Vice Premier Tian Jiyun Continues Visits Abroad

Suggests Joint Ventures With Kuwait
*OW1603224489 Beijing XINHUA in English
1651 GMT 16 Mar 89*

[Text] Kuwait, March 16 (XINHUA)—China and Kuwait should take advantage of their favorable conditions in labor and resources to launch one or two big cooperative projects, visiting Chinese Vice Premier Tian Jiyun said today.

Tian made the suggestion when meeting with Faysal 'Abd al-Raziq al-Khalid, Kuwaiti minister of commerce and industry here.

Khalid expressed the belief that such a suggestion is in conformity with Kuwait's "intention of investment."

The two leaders explored ways and means of boosting cooperation in economy and trade between the two countries.

Annual trade between the two countries has exceeded 200 million U.S. dollars in 1988. The Kuwait Fund for Arab Economic Development has provided loans for 12 Chinese projects, of which seven have been completed and put into production.

Tian assured the Kuwaiti minister that China will not change its economic reform and open-door policy.

Tian left here this afternoon for the United Arab Emirates, the last leg of his five-nation Mideast tour.

Meets Kuwaiti Crown Prince

OW1503193289 Beijing XINHUA in English
1855 GMT 15 Mar 89

[Text] Kuwait, March 15 (XINHUA)—Kuwaiti Crown Prince and Prime Minister Amir Shaykh Jabir al-Ahmad al-Sabah received visiting Chinese Vice Premier Tian Jiyun today.

Tian expressed China's appreciation of the peaceful and neutral nonaligned policy pursued by Kuwait and a hope that friendly and cooperative relations between the two countries will be further developed.

The amir said that Kuwait and China trust each other and it is their common desire to boost cooperation that he hoped would set an example for the South-South relations.

The two leaders also exchanged views on the situation in the Gulf region, and Tian praised efforts being made by Kuwait to settle the Lebanon crisis. Kuwait is the head of a seven-member Arab mediation committee set up by the Arab League for a reconciliation between Moslem and Christian leaders in Lebanon.

Saad [as received] expressed a hope that with the support and cooperation of friendly countries and the parties concerned, peace will be brought to Lebanon as soon as possible.

The visiting Chinese vice premier also met Sa'ud Muhammad al-'Usaymi, minister of state for foreign affairs, and Finance Minister Jasim Muhammad al-Kharafi.

The 17-member Chinese delegation was the guest of a luncheon hosted by Kuwaiti Minister of Commerce and Industry Faysal 'Abd al-Raziq al-Khalid.

Tian flew to Kuwait from Baghdad last night for a two-day visit. His tour has already taken him to Iran, Turkey and Iraq, and he will visit the United Arab Emirates after his stay here.

Arrives in United Arab Emirates

OW1703043289 Beijing XINHUA in English
0154 GMT 17 Mar 89

[Text] Kuwait, March 16 (XINHUA)—Chinese Vice-Premier Tian Jiyun arrived in Abu Dhabi this afternoon from Kuwait for a three-day visit to the United Arab Emirates (UAE), reports reaching here from Abu Dhabi said.

Upon his arrival, Tian told reporters at the airport that relations between China and the UAE have well developed since November 1, 1984 when the two countries established diplomatic relations.

During his visit, Tian will exchange views with UAE leaders on issues of mutual concern.

Later this evening UAE Deputy Prime Minister Hamdan ibn Muhammad al Nuhayyan gave a banquet in his palace in honor of Tian and his 17-member delegation. The UAE, comprising six emirates of Abu Dhabi, Dubai, Sharjah, Ras al-Khaimah, Ajman, Fujairah and Umm al-Quwain, was established on December 2, 1971. It is the last stop of Tian's five-nation mideast tour. Tian has also visited Iran, Turkey, Iraq and Kuwait.

Party Celebrates Hindu Broadcasting Anniversary

OW1603041689 Beijing XINHUA in English
1141 GMT 15 Mar 89

[Text] Beijing, March 15 (XINHUA)—A tea party was held here this afternoon to celebrate the 30th anniversary of China's broadcasting service in Hindu language.

Radio Beijing, which began its Hindu-language service March 15, 1959 with only half an hour program every day, now offers two-hour service. The broadcasting service has been well received by listeners in India and other parts of the world. Last year, the Editorial Department received 4,000 letters from its listeners abroad.

Speaking at the party, Chinese experts on Indian affairs noted that Indian Prime Minister Rajiv Gandhi's visit to China last December contributed to furthering Sino-Indian relations and this is conducive to the development of China's broadcasting service in Hindu language.

India: Police Detain 189 Tibetan Demonstrators

BK1503124489 Hong Kong AFP in English 1232 GMT
15 Mar 89

[Text] New Delhi, March 15 (AFP)—Indian police baton-charged and detained nearly 190 Tibetans who stormed police lines outside a refugee camp here Wednesday [15 March], police and witnesses said.

Scores of riot police had cordoned off Majnu Ka Tilla, a Tibetan refugee camp on the banks of the Yamuna River in eastern New Delhi, to prevent refugees from pursuing an indefinite sit-in at foreign embassies.

Police used batons to subdue refugees who attempted to break the cordon and detained them at a police station in the area, witnesses said.

A police spokesman said 189 Tibetans were detained, but could not confirm that they were baton-charged. He said they were expected to be released without charges after a brief spell of detention.

Groups of four Tibetans have been sitting outside more than 100 foreign embassies here since Monday demanding that countries who are members of the United Nations act and stop alleged Chinese atrocities in Tibet.

They want the United Nations to persuade Beijing to lift martial law imposed in Tibet on March 7 after three days of anti-Chinese unrest which left 16 people dead by official count.

The assembly of Tibetan people's deputies, the parliament-in-exile which has organised the sit-in, said in a statement here that Wednesday's police action had been designed to "suppress Tibetan people's voice."

"We appeal to the Government of India to be more considerate and sympathetic towards the Tibetan cause," the statement added.

Some 10,000 Tibetan refugees live in New Delhi and more than 100,000 across India, where Tibetan spiritual leader the Dalai Lama has been living in exile since a failed March 1959 uprising against Chinese rule.

Sub-Saharan Africa

PRC Calls for World Pressure on South Africa
OW1603224789 Beijing XINHUA in English
1621 GMT 16 Mar 89

[Text] Budapest, March 16 (XINHUA)—China has called on the international community to continue to force the South African authorities to end their illegal occupation of Namibia.

Ma Tengai, member of the Standing Committee of China's National People's Congress, told the 81st Inter-parliamentary Union Conference here on Wednesday that the implementation in two weeks of the UN Security Council resolution for the independence of Namibia is a victory won by the African countries and peoples.

About 500 deputies from more than 100 countries are attending the week-long conference.

Ma accused the South African authorities of suppressing the South African people's struggle against racism, persecuting people opposing apartheid, and refusing to release Nelson Mandela and other black leaders and freedom fighters.

"So long as the South African authorities refuse to abolish the system of apartheid, there will be no tranquility in southern Africa," Ma said.

He also criticized Pretoria for vigorously pursuing a policy to destabilize neighboring countries and willfully infringing upon the sovereignty and security of those neighbor states.

New Nigerian Ambassador Presents Credentials
OW1603015289 Beijing XINHUA in English
1159 GMT 15 Mar 89

[Text] Beijing, March 15 (XINHUA)—Nigerian new ambassador to China Emmanuel Nwachukwu Oba [spelling of name as received] presented credentials to Chinese President Yang Shangkun at the Great Hall of the People here today.

Oba arrived here March 6.

West Europe

Envoy Protests European Resolution on Tibet
OW1703075489 Beijing XINHUA in English
0701 GMT 17 Mar 89

[Text] Brussels, March 16 (XINHUA)—Chinese Ambassador to the European Community Liu Shan protested this afternoon a European Parliament resolution on Tibetan human rights.

Liu told European Parliament President Henry Plumb on behalf of the Chinese Government that the resolution wantonly interfered in China's internal affairs.

"Tibet is a part of China," Liu stressed, adding that his government took measures in Tibet to halt riots caused by a few separatists, restore social order and defend the unity of the country.

The EC resolution condemns actions taken by China and calls for talks between the Chinese Government and the Dalai Lama.

The resolution was passed by a show of hands in this morning's "urgent debate" on the "Tibetan situation," attended by only 157 of the 518 members of Parliament.

Some members reportedly abstained or voted against the resolution.

Sino-EEC Seminar Promotes Investment
OW1603225089 Beijing XINHUA in English
1545 GMT 16 Mar 89

[Text] Beijing, March 16 (XINHUA)—More than 500 lawyers, government officials and enterprise managers from China and European Community member countries will gather in Beijing this month to discuss investment in China.

Chen Zhuo, vice president of the All-China Lawyers' Association, told XINHUA today that the Sino-EEC symposium, jointly sponsored by China and the European Community, will be held from March 20 to March 22 to demonstrate China's investment potential and security to European investors.

According to informed sources, 50 percent of the total volume of technology imported to China last year came from European Community member countries.

Chen Zhuo said that Sino-EEC joint ventures in China involve energy resources, materials, nuclear fission, biotechnology, astronomy, medical sciences, prevention of natural disasters, and cultural relics protection.

"Some of the joint ventures have been listed in China's country development program," Cheng added.

During the two-day symposium, participants will be divided into groups to discuss issues including encouragement of foreign investment in China, fiscal and customs incentives to investment, patent rights, technology transfer, and the settlement of disputes.

French Prime Minister Meets Zou Jiahua in Paris
OW1603015089 Beijing XINHUA in English
1200 GMT 15 Mar 89

[Text] Paris, March 14 (XINHUA)—French Prime Minister Michel Rocard and visiting Chinese State Councillor and Mechanics and Electronics Minister Zou Jiahua discussed expanding economic cooperation between the two countries at their meeting today.

Rocard said that French-Sino cooperation is a long-term project, while Zou told reporters later that there are good prospects for cooperation in power and transportation between China and France.

Zou arrived in Paris on March 6 and will leave for Stockholm tomorrow.

Private Group To Host UK Joint Accord Team
HK1703043589 Hong Kong SOUTH CHINA
MORNING POST in English 17 Mar 89 p 7

[By Chris Yeung]

[Text] A Chinese non-government body will host the House of Commons Foreign Affairs Select Committee examining Britain's handling of the Sino-British Joint Declaration during a visit to Beijing next month in an apparent move to avoid embarrassment to the two governments.

THE SOUTH CHINA MORNING POST has learned that the Chinese People's Association for Foreign Affairs has already sent the official invitation to the British parliamentary body to visit Beijing from April 22 to 25.

The visit follows immediately after another four day fact-finding trip of the 11-member committee to Hong Kong to canvass local views on Britain's handling of the implementation of the joint accord. It visits the territory from April 17 to 22.

The team, headed by Conservative Member of the Parliament David Howell, is expected to fly to London after the Beijing trip.

An official at the Chinese People's Association for Foreign Affairs in charge of European affairs confirmed the invitation but added details of the visit were still to be finalized.

The association, chaired by a former Chinese Vice-Foreign Minister Han Nianlong, has had close links with the Foreign Ministry although it is not a governmental body under the Chinese bureaucracy.

The arrangement is seen as a cover to avoid embarrassment to the two governments as Beijing is not obliged to take the initiative to arrange activities for the parliamentary group studying London's effort in implementing the joint pact.

However, it is learned that key Foreign Ministry officials in charge of Hong Kong affairs will hold "information discussions" with the committee on transitional matters of the territory.

Foreign Ministry spokesman Li Zhaoxing yesterday confirmed that Vice-Foreign Minister Zhou Nan would embark on a four-leg visit to West European countries including Britain beginning on March 26 as earlier reported by the Post. The other three are Luxembourg, Italy and West Germany.

Mr Robin McLaren, an Assistant Under-Secretary in charge of Asian affairs, said Mr Zhou's visit was made at the invitation of the British Minister with special responsibility for Hong Kong, Lord Glenarthur, during his first official trip to Beijing last summer.

It is expected that issues including the Vietnamese refugee problem and the Basic Law draft will figure high on the agenda of talks between Mr Zhou and the British officials.

Mr Li said China respects the measures being taken by ASEAN countries in seeking a long-term solution to the chronic Indo-Chinese refugee problem.

China always supports any efforts to settle the refugee problems, he said.

Mr Li said: "China is of the view that only by eliminating the origin of this question can the Indo-Chinese refugee problem be settled fundamentally."

Song Ping Leads Delegation to Italian CP Congress
OW1603225789 Beijing XINHUA in English
1512 GMT 16 Mar 89

[Text] Beijing, March 16 (XINHUA)—A Chinese Communist Party (CPC) delegation left here this evening for Rome, Italy, to attend the 18th congress of the Communist Party of Italy on invitation.

The delegation is headed by Song Ping, member of the Political Bureau of the Chinese Communist Party (CPC) Central Committee.

Following that, the CPC delegation will visit San Marino and Portugal at the invitation of the Communist Party of San Marino and the Communist Party of Portugal.

Seeing Song Ping and his party off at the airport was Zhu Liang, head of the International Liaison Department of the CPC Central Committee.

Bank of China Delegation Continues Nordic Tour
OW1603115089 Beijing XINHUA in English
0229 GMT 16 Mar 89

[Text] Helsinki, March 15 (XINHUA)—A Chinese bank delegation ended its two-day visit to Finland and left here today for Stockholm to continue its Nordic tour.

The delegation, headed by President Wang Deheng of the Bank of China, arrived here March 13 following visits to Denmark and Norway.

The delegation's Nordic trip is intended to strengthen cooperation between the Bank of China and the national banks of north European countries.

Rui Xingwen Meets Norwegian Party Delegation
OW1603014889 Beijing XINHUA in English
1152 GMT 15 Mar 89

[Text] Beijing, March 15 (XINHUA)—Rui Xingwen, member of the Secretariat of the Chinese Communist Party Central Committee, met and gave a dinner for a three-member delegation from the Norwegian Workers' Communist Party (Marxist-Leninist) led by Chairman Siri Jensen here this evening.

The visitors are here to study China's current reforms and the theory on the initial stage of socialism of China. They arrived here March 3 and will conclude the visit tomorrow.

Political & Social

Zhao Ziyang Comments on Party's Internal Unity
OW1603235389 Beijing XINHUA Domestic Service
in Chinese 1409 GMT 16 Mar 89

["Local Broadcast News Service"]

[Text] Beijing, 16 Mar (XINHUA)—In his speech at the party-building research class, Zhao Ziyang emphasized the necessity to strengthen the unity inside the party ideologically and organizationally. He maintained that in China, as long as no major problems exist inside our party, our country will not have big problems either; and even when there are problems, it will have the ability to solve them.

He said: The key to China's problem lies in the Communist Party. Our party is the force leading China's reform and modernization and a dominant factor for the stability of the political situation at home. Most of the 47 million members of our party are outstanding elements of the society. If the whole party is united, no difficulties are unsurmountable. Among people who dislike our party, those who know the reality also know that they cannot replace or destroy us from without.

He said: In order to remember that we are communists, we must enhance our sense of the party, implement the party's line, abide by the party discipline and uphold the party's principles. If everyone does so, our party will be consolidated. In order to do so, we must rely on the party's ideological education and organizational building. Of the two, the ideological education is in the first place. In order words, we should arm the whole party with the theories and line of the 13th national party congress.

The line of the 13th national congress has two basic points. According to the party's political discipline, it is impermissible to oppose the four cardinal principles or the policy of reform and opening to the outside world. Most of our party members know this truth and support the party's line. However, some of our party members indeed have confused ideas and are not quite mentally prepared for the reform and opening to the outside world. Some of them are not mentally prepared for the necessity of reform and opening to the outside world and they do not understand that reform and opening to the outside world are the only way to bring into play the superiority of the socialist system. Others are not mentally prepared for the arduousness and protracted nature of the reform, and they expect the reform to progress very very fast on a straight road. Still others are not mentally prepared for the fact that it is inevitable for the reform to pay a price and encounter some difficulties. They cherish the illusion that any reformative measure will bring about huge and increasing benefits to everyone immediately. They are dejected whenever they encounter any difficulty. All these are the factors causing ideological slackness.

Zhao Ziyang said: The line of the 13th national congress can be summarized in one point—how to develop the productive forces even faster under the socialist system. At present, we are dissatisfied with our backward situation. In my view, we don't need any new remedy. All we have to do is conscientiously implement the line of the 13th national congress and work with a will to make the country strong. The theories and line of the 13th national congress still need further enrichment, improvement, and development. However, only by resolutely implementing the theories and line of the 13th national congress can we promote the development of the productive forces under the socialist system. None of the other remedies conform to China's reality. The whole party, particularly leading cadres at all levels, should be firm and unshakable in this belief. We should not vacillate, nor should we be affected by various erroneous ideological trends. The education in the theories and line of the 13th national congress should be integrated with the education in the current situation and should be carried out conscientiously, thoroughly, painstakingly, and vigorously. It must serve specific purposes and be convincing. New problems will emerge after old problems are solved, and other hot-spot problems will happen after one hot-spot problem disappears. Confusion constantly exists in the party, and it needs constant and timely clarification. Only in this way can we constantly maintain the important unity of the party.

Zhao Ziyang Views Productive Forces Criterion
OW1603215389 Beijing XINHUA Domestic Service
in Chinese 1242 GMT 16 Mar 89

["Local Broadcast News Service"]

[Text] Beijing, 16 Mar (XINHUA)—Zhao Ziyang discussed the question of the criterion of the productive forces in a recent report. In his opinion, it is a scientific concept which should be expounded scientifically and must not be interpreted in an oversimplified and vulgarized way. For instance, to increase profits by abusing equipment and engaging in short-term behavior is a misinterpretation of the criterion of the productive forces and a disruption of the productive forces.

Some people ask: Now that we are stressing the criterion of the productive forces, why do we need to change the relations of production? Zhao Ziyang thinks that when the relations of production are obstructing the development of the productive forces, to change the relations of production is an action to uphold the criterion of the productive forces. Conversely, if we seek only the so-called advanced form of the relations of production yet disregard the needs of the development of the productive forces, we will commit "leftist" mistakes. We must uphold the criterion of the productive forces, but we must not interpret this in an oversimplified and vulgarized way; nor should we simply draw an equals sign between the criterion of the productive forces and such things as profits and output values.

Li Peng's Report to NPC Highlighted
*HK1703024789 Hong Kong SOUTH CHINA
MORNING POST in English 17 Mar 89 pp 1, 11*

[By Willy Wo-lap Lam in Beijing]

[Text] Chinese Prime Minister Li Peng's report to the Second Session of the Seventh National People's Congress (NPC) will pledge a continuation of the policy begun last autumn to "cure the economic environment and rectify the economic structure."

According to senior politicians in Beijing who have read an early draft of the document which will be tabled on Monday [20 March] when the NPC opens, Mr Li's Government work report runs to more than 20,000 characters and is divided into eight sections.

The bulk of the report deals with the economy: How the State Council, China's central Government, will rectify economic dislocations after a tumultuous year of inflation and budget deficits.

The report begins by recounting the performance of the Chinese economy since Mr Li delivered his first Government work report in March 1988.

Mr Li ticks off the achievements: In 1988, the GNP and national income grew by 11.4 percent and 11.23 percent, respectively.

While the Prime Minister writes that the overall situation is good, the politicians say Mr Li's main thrust is that an excessive industrial growth rate, reckless spending and the runaway money supply have spawned double-digit inflation and threatened the country's standard of living.

"Without a stable social and political environment, the Prime Minister writes, 'the task of curing and rectifying the economy and deepening reform will come to naught.'"

In the report, Mr Li notes that the top echelon of the party and Government must take collective responsibility for the economic malaise.

To analysts, however, there is little doubt that Mr Li is pinning the blame on the faction of "radical reformists" in the Chinese Communist Party led by General Secretary Zhao Ziyang.

"After all, Mr Zhao had been in charge of the economy before Mr Li became Prime Minister last April," said a Western diplomat. "And the 'inflationary policy' decried by Mr Li had been in place from late 1987 to early 1988".

A senior economist said: "The document's leitmotif is curing and rectifying the economy and deepening reform. However, there is no question that the primary task is restoring order to both the economic and socio-political sectors."

An entire section of the report is devoted to steps taken to cool down the economy. The major thrust is "enhancing the powers of the central Government in macro-economic adjustments and controls".

Mr Li recommends a growth rate of four percent for agriculture, eight percent for industry and 7 1/2 percent for the entire GNP to ensure a "proper, stable" growth rate.

He adds that the bloated money supply must be contained. Seventy billion yuan (HK [Hong Kong] \$147 billion) was injected into the economy in 1988.

Moreover, the nation's foreign debt must be brought under control as China enters the "high-tide" period of repayment in the early 1990s.

If the entire nation does not exercise financial discipline, Mr Li warns, the budget deficit will mushroom beyond the eight billion yuan (HK\$16.8 billion) projected for this year.

Most importantly, Mr Li emphasises the fact that the drastic cut on capital construction will go on. Some 18,000 projects have either been curtailed or shelved up to the end of February.

A Beijing-based economist said: "Mr Li is bringing back central planning to the economy after years of market mechanism introduced by Mr Zhao Ziyang."

According to political insiders, the Prime Minister makes no reference in his report to Mr Zhao's policy of "letting one side of the net open" for the coastal provinces.

The "make-an-exception" slogan was first raised last December by Mr Zhao, who is known as the father of China's coastal development policy.

In another section, Mr Li mounts a spirited defence against the charge that his "curing and rectifying" policy would mean "going back to the old system" of the command economy.

He also tries to lay to rest criticism that the tight-money and retrenchment policies will engender stagflation.

"Stagflation can be avoided," Mr Li writes, "by having the correct production policy...(which means) readjusting the investment structure, the production structure and the structure of enterprise organisation, so that the nation's limited resources can be used efficiently".

The Prime Minister notes that in the foreseeable future, the bulk of the nation's resources will be devoted to agriculture, energy, transportation and raw materials.

A host of industries, especially the manufacture of consumer products such as household appliances and tobacco, will be discouraged.

Another section of the report is devoted to the "deepening of reform".

However, because of the potential for disrupting the rectification process, bold moves such as rendering state-owned enterprises into joint-stock companies are being put on the back burner.

Mr Li also puts off price reform until inflation has been "significantly brought down." Indeed, he reportedly points out that the nation will only implement "step by step" those reform policies that will have major effects on curbing inflation.

Of all the major reforms introduced by Mr Zhao, Mr Li only backs the promotion of the "responsibility system" in large corporations.

In the section of the report devoted to the open door policy, Mr Li vows to expand China's ties with the capitalist economies of the West.

However, he notes that the open door policy must be integrated with efforts to cure and rectify the economy.

The Prime Minister asks cadres working on the coast to concentrate on projects that will not strain the nation's finances or exacerbate shortages in energy and raw materials.

Top priority will be given to compensation trade, projects in which foreign partners put up the bulk of investment, and joint ventures that are built upon existing factories and equipment.

Yet another section of the report is devoted to socio-political affairs.

To appease intellectuals and educators, who make up a sizeable portion of the NPC's nearly 2,976 deputies, Mr Li notes that in spite of the tight-money situation, the budget for education will be five billion yuan (HK\$10.5 billion) more than last year.

Mr Li's main point, however, is to ask the deputies to help promote "unity and stability"—the CCP's code word for maintaining law and order and defusing challenges to the regime.

The last section of Mr Li's report deals with foreign policy.

An obstacle in Sino-American relations, the Prime Minister notes, is that certain groupings in the States are attempting to meddle with the internal affairs of China.

Qiao Shi Named President of Party School

HK1703042389 Hong Kong WEN WEI PO in Chinese
17 Mar 89 p 1

[Dispatch by correspondent Liu Jui-shao: "Qiao Shi Replaces Gao Yang as President of Central Party School"]

[Text] Beijing, 16 Mar—According to informed sources, Qiao Shi, member of the CPC Central Committee Political Bureau Standing Committee, is now concurrently president of the Central Party School, thus replacing Gao Yang. Qiao Shi was earlier appointed director of the CPC Leadership Group for Party-Building. According to reports, Gao Yang wanted to resign for reasons of age. Day-to-day work in the Central Party School is now under the charge of the school's vice president, Gao Di.

43 Intellectuals Sign Amnesty Petition

HK1703042189 Hong Kong SOUTH CHINA
MORNING POST in English 17 Mar 89 p 10

[By Seth Faison in Beijing]

[Text] In the latest act of open dissent, a new group of 43 leading intellectuals has signed a petition calling for an amnesty for China's political prisoners.

The appeal followed similar ones by two other groups of intellectuals in recent weeks, and came amid an increasingly tense political atmosphere as Beijing prepares for an annual session of the National People's Congress (NPC).

With the NPC opening on Monday [20 March], the authorities have been trying with limited success to curtail outspoken criticism of the Government.

The petition was passed around to signers shortly before a meeting at the Qianmen Hotel on Tuesday, which was broken up by public security officials after they learned that several prominent intellectuals were planning to speak.

Many of the petition's signers work at China's Academy of Social Sciences, the Government's research centre, including political scientist Yan Jiaqi.

Journalist Dai Qing and literary scholar Su Wei were also among those who signed.

Dai said yesterday: "Originally I had no plans to sign any such letter. But Government people have been spreading all kinds of rumours about the first letter, saying it was funded by foreigners and other things. It was an insult to intellectuals, so I felt I had to do something."

The petition supports earlier calls for the release of Wei Jingsheng and other "political criminals" and stresses the legality of the appeal in the face of disapproval by the leadership.

"We believe that their request is in accordance with the Constitution and expresses the will of the people," the two-sentence letter said.

"We again ask that the NPC consider this request."

In the face of such growing restiveness among intellectuals and others, Government officials have taken steps to prevent the upcoming Congress from turning into a showcase of complaints.

The State Council spokesman Yuan Mu warned earlier this week that leaders were "not happy" with attempts to pressure them by the use of open letters.

Dai said she and other signers hoped that delegates to the NPC would raise the issue of an amnesty.

"But in China, delegates aren't really chosen by the people so they don't represent everyone's wishes. They may well skip over the whole issue," she said.

Several weeks ago, a group of 33 prominent intellectuals signed a letter calling for Wei's release, causing a stir with a list of names that included writers who had never before taken a public stand on such a politically sensitive issue.

They were followed by a second letter from a group of 40 scientists with a similar appeal.

Meanwhile, Beijing University officials have been warning college members against joining a fledgling dissident movement calling for democratic reforms and freedom for political prisoners.

College academics said university professionals were being urged at political meetings not to sign a series of petitions circulated by dissident intellectuals proposing an amnesty for political prisoners.

The sources said that in a series of meetings university officials were "warning" staff members to avoid political activities that could get them into trouble.

"They are saying if you sign, they could brand you as a foreign spy or counter revolutionary," said an academic source.

The approach of the 70th anniversary of the "May Fourth Movement," a wide-spread popular reformist movement led by intellectuals, apparently has heightened official fears of rising political dissent among intellectuals.

The academic sources said university officials warned staff members not to get involved with the present petition drive because it was being engineered and funded by Taiwan and the China Democratic Alliance.

Wei Jingsheng Called 'Counterrevolutionary'
OW1703081089 Beijing XINHUA in English
0753 GMT 17 Mar 89

[Text] Beijing, March 17 (XINHUA)—Any demand for the release of "political prisoner Wei Jingsheng" is out of the question as Wei is not a "political prisoner" but a counter-revolutionary, according to a senior juridical official here today.

Recently, some people, both at home and abroad, have been collecting signatures for a petition for the release or amnesty of "political prisoner Wei Jingsheng".

Tang Zhanyun, a judge at the second tribunal of the case in 1979 and now vice-president of the Beijing Higher People's Court, said Wei was convicted as a counter-revolutionary based on evidence that he provided military intelligence to a foreigner and agitated for the overthrow of the dictatorship of the proletariat and the socialist system.

Tang said that Wei worked for the Beijing Public Parks Service Company before he was arrested on March 29, 1979. Four days after hostilities broke out on the Sino-Vietnamese border, Wei provided a foreigner with information including the names of commanders and the number of the Chinese troops, developments of the battle and the number of casualties.

Between December 1978 and March 1979, Wei wrote 10 articles published in a journal titled, "EXPLORATIONS," claiming that Marxism-Leninism-Mao Zedong Thought was "a prescription only slightly better than medicine peddled by charlatans," and that the system of the dictatorship of the proletariat was "nothing but feudal monarchy disguised as socialism." He incited people to "concentrate their fury against the criminal system causing tragedy to the people" and "seize political power from these overlords," according to Tang.

Tang said that after the public prosecutor read the indictment the material evidence was exhibited in court and two witnesses gave testimony, Wei agreed that the material evidence and the witnesses' testimony were genuine.

Tang said that Wei committed counter-revolutionary crimes in violation of Articles 6 and 10 of China's "Penal Code Against Counter-Revolutionaries."

Article 6 of the "Penal Code Against Counter-Revolutionaries" reads: "Stealing, spying out or providing others with state secrets constitutes a counter-revolutionary crime and will be punished by death or life imprisonment or, if the case is not so serious, a minimum of five years' imprisonment." And Article 10 says conducting counter-revolutionary propaganda or agitation carries a minimum penalty of three years' imprisonment, and in serious cases, death or life imprisonment.

The Intermediate People's Court of Beijing sentenced Wei to 15 years' imprisonment and deprived him of political rights for an additional three years. This was an appropriate sentence, Tang said.

Tang also said that China has neither "political prisoners" nor "ideological prisoners".

Report System for Non-CPC Groups Slated
OW1703080789 Beijing XINHUA in English
0737 GMT 17 Mar 89

[Text] Beijing, March 17 (XINHUA)—China's non-communist parties are to establish a report and complaint system in order to participate in supervising the performance of the government and the Communist Party of China (CPC), today's "PEOPLE'S DAILY" reported.

Under the auspices of the Central Commission for Discipline Inspection, responsible persons from the non-communist parties and the All-China Federation of Industry and Commerce were invited on March 11 to confer with the Supreme People's Court, the Supreme People's Procuratorate and the Ministry of Supervision.

The symposium worked out detailed measures on how the democratic parties and the All-China Federation of Industry and Commerce would carry out the report and complaint program.

This is in response to a suggestion from Zhao Ziyang, general secretary of the CPC Central Committee, which stressed the supervisory role of non-communist parties in a bid to create an honest and clean government.

Establishment of Democratic Authority Urged
HK1603122789 Beijing JINGJIXUE ZHOUBAO
in Chinese 5 Mar 89 p 5

[Article by Hu Jiwei (5170 4921 0251): "Establish Democratic Authority"]

[Text] We always attach importance to authority, and attach importance to the authority of the leading party, the leading organs, and the leading people. In both the revolutionary period and the construction period, we need such leadership authority. However, what we need to establish is democratic authority rather than autocratic authority.

The authority we need is one with prestige and popular trust. However, autocratic authority is built on the basis of despotic and dictatorial power. It is easier for one person to hold power than to establish prestige and popular trust. At present, there are many problems in reality. In my view, a serious problem is the lack of prestige and popular trust. The prestige of the party and the government in the minds of the people is declining rather than rising.

In the period of reform, it is necessary to establish authority with high prestige in order to exercise effective leadership over reform and to carry on economic structural reform focused on the development of the commodity economy and political structural reform focused on democratic construction.

In respect of political structural reform, real authority can only be built on the basis of democracy. There are fundamental differences between democratic authority and autocratic authority. The characteristics of democratic authority can be summarized into the following points:

First, the establishment of democratic authority requires a democratic and scientific decisionmaking system. When formulating the guiding principles for making policy decisions, the leading organs and leading people should first carefully and thoroughly investigate and study the actual conditions, listen to various opinions with an open mind, and especially pay attention to skeptical and opposing opinions. Only thus can the correctness of the policy decisions be ensured to the largest possible extent.

Second, the establishment of democratic authority requires that leading people be elected strictly according to the democratic procedures prescribed by the relevant law. The nomination of candidates and the election should be carried out on the basis of full discussions, comments, and election campaigns, and the number of candidates should be greater than the posts to be filled. Democratic elections may not necessarily choose leaders with the best quality, but they ensure that bad leaders will not be able to remain in power. Democratic elections also put an end to various means of seizing power and contending for power in violation of democratic procedures, and this will raise the prestige of the leaders among the masses.

Third, the establishment of democratic authority requires the maintenance of democratic centralism. When policy decisions are made, people must strictly abide by the principle of the minority submitting to the majority. At the same time, the minority of people who hold different opinions must also be respected and protected. The leaders will then win greater support and esteem from the masses as they show a broad-minded and magnanimous attitude.

Fourth, the establishment of democratic authority requires that leaders not only have broad knowledge and superb leadership skills, but also strictly abide by law and discipline and remain incorrupt and honest in performing their official duties, thus becoming ideal leaders and trustworthy public servants in the minds of the masses.

Fifth, the establishment of democratic authority should find expression in the smooth implementation of major policy decisions. The correctness of the contents of these

decisions, the democratic procedures for making these decisions, and the exemplary role of the decisionmakers in the implementation of these decisions will help prevent such phenomena as no final decision being made after prolonged and repeated discussions, or a decision proving impractical after it is made. This will also help prevent, reduce, and correct such abnormal phenomena as the orders and bans issued by the upper authorities being defied by those at the lower levels.

Sixth, the establishment of democratic authority must adhere to the democratic system for selecting and appointing cadres on their merit. Leaders must be good at enlisting able and upright people and be good at correctly judging the ability and talents of the people and giving full play to able and talented people, especially those who oppose their opinions. Only thus can we prevent such corrupt phenomena as favoritism in cadre appointments, toadyism, abuse of power, graft, racketeering, and nudging able and talented people from power.

Seventh, the establishment of democratic authority requires the openness of policy making and administrative work. This will subject the leading organs and leading people to thorough supervision of the masses, and will ensure the people's right to get information, to comment on the government's work, and to participate in political activities. The major activities of the party and the state must be regularly reported to the masses in good time to ensure that the masses have full opportunity to discuss major domestic and foreign affairs.

Eighth, the establishment of democratic authority requires that the change of leading people strictly follow the democratic procedures prescribed by the relevant laws. This will prevent the occurrence of some sudden events which damage the condition of rule by law, and will reduce unstable factors that may cause social unrest. In addition, this will also help eradicate the autocratic and patriarchal style of leadership and terminate the system of ensuring cadres' lifelong tenure in office, thus preventing feudal autocracy from firmly holding a ruling position under a revolutionary disguise.

Ninth, the establishment of democratic authority requires a transition from rule by man to rule by law through developing a perfect legal system. Thus our country and society will be governed according to the laws, and all people will be equal before the law. That is, if any people, including leading cadres and their relatives, violate laws or discipline, serious sanctions must be applied against them. Only thus can an incorrupt and enlightened style of government based on the observation of law and discipline take shape from top to bottom.

Only when the above mentioned characteristics are formed will leading organs and leading cadres enjoy high prestige and will real democratic authority be realized. In my view, this is the main point that differentiates democratic authority from autocratic authority.

In the era of feudal dynasties, there were some comparatively enlightened and wise autocratic monarchs. They indeed made positive contributions to the prosperity of the country and to the well-being of the people by exercising their dictatorial power. In some modern countries, there have also been some dictators and autocrats who played a great positive role in economic development by iron-handed means. If we draw a conclusion from these facts and hold that we need such autocratic authorities in our present effort to improve the economic environment and rectify the economic order, if we call it by a fine-sounding name of "neo-authoritarianism," then we will make a big mistake. This is because what is required by our socialist system is not a wise monarch who can set himself above the people, nor a dictator who rides roughshod over the people and even suppresses the people. What we need are public servants who serve the people wholeheartedly. Our Constitution stipulates that all powers belong to the people. The people have the right to manage state affairs, manage economic and cultural affairs, and manage social affairs. Therefore, leading organs and leading people can only be the people's public servants, and must subject themselves to the people's supervision. Their authority must be built on the basis of the democratic system.

People who uphold "neo-authoritarianism" argue that our current political structural reform cannot be oriented to an all-around advance of political democratization; instead, necessary power centralization and political monopoly should be realized. Some comrades even use the "four little dragons," including South Korea, as an example to show the necessity of developing a free economy (or a market economy, a commodity economy) through authoritarian politics. They hold that this should be the orientation of our reforms.

In my view, this opinion at least includes two major misunderstandings: The first is a misunderstanding of the government's function in economic management in a capitalist country. Take South Korea as an example. A rather developed export-oriented free economy has taken shape there, and in the period of economic take-off, its government heads were rather autocratic. However, the government played a small role in economic management. The commodity economy there could develop at a high speed, mainly because the country's basic policy was to give the reins to the development of the commodity economy, and the state formulated laws according to this basic policy to manage the economy according to these laws. The government interfered little in specific economic entities. However, in our country, although the government is democratic, its control over the economy is very strict. At present, we are carrying out an economic structural reform focused on the development of a commodity economy, and our policy is being changed from one of restraining the commodity economy to one of promoting the commodity economy. Our government is trying to reduce administrative interference in the business activities of the economic entities to promote the change from a long-standing product

economy to a commodity economy. If we stop the process of political democratization and return to the old system characterized by a high degree of power centralization in economic management rather than weakening and reducing the government's economic control, then we will not be able to promote the development of the commodity economy, and this will go diametrically against the purpose and principle of our reforms. This misunderstanding fails to see the real picture in the "four little dragons," and also fails to see the real conditions in our country. As a matter of fact, the automatic systems in the "four little dragons" are now also facing the challenge of the new democratic trend, and the worldwide democratic trend is irresistible.

The second is a misunderstanding of the relationship between the formulation of policy decisions and the implementation of policy decisions. When making policy decisions, we pursue a system of democratic centralism and stress the necessity of in-depth investigation and study of the actual conditions and the necessity of giving consideration to different opinions. Then a final decision should be made according to the principle of the minority submitting to the majority, and at the same time, the minority's right to reserve their opinions should be protected. However, after the democratic decisionmaking process and after democratic elections, the policies must be implemented by various administrative departments under the leader responsibility system, and there must be a centralized and powerful government to perform its administrative function and implement the policies with high efficiency. In routine work, the government leader must hold unified command of all government work and need not submit every concrete affair for discussion or vote. The government must make public all its administrative activities and completely subject itself to mass supervision. The masses can freely criticize the government's work and put forward proposals, but they must respect the government and obey the government head's orders and must not defy these orders, act in their own ways, and practice anarchism. This is exactly the principle of "free discussion and unified action" advocated by Lenin. This shows that democratic centralism in the decisionmaking process and the leader responsibility system in the implementation of policy decisions belong to two different categories and should not be confused. If we replace the system of democratic centralism in the first realm with the leader responsibility system, then we will just restore an autocratic and patriarchal system and our democratic politics will degenerate into autocratic politics again.

"Neo-authoritarianism" stresses the authority of leaders rather than an authoritarian polity. This opinion holds that under the present conditions, we need some powerful leaders to advance modernization in an arbitrary way, and holds that the pressing task of the moment is to realize a dual society which is characterized by a free enterprise system in the economic field and a power centralization system in the political field.

A document of the 13th CPC Congress explicitly stipulates that a major problem in our political system we must resolutely solve through reform is the high degree of power centralization in the political field. The document points out: In our country, "excessive power centralization is not only reflected in the party committees holding too much power over various economic, administrative, cultural institutions, and mass organizations, but is also reflected in too much power of the grass-roots units being held in the hands of the upper leading organs. On the one hand, the leading organs manage many things that they cannot manage properly or they should not interfere in, and they are consequently mired in routine affairs; on the other hand, the grass-roots units lack decisionmaking power and it is hard to fully arouse the initiative of the masses." In our country, authoritarian politics represent a time-honored tradition, so the great reform will encounter many obstacles and difficulties.

If we use "neo-authoritarianism," a medicine which may cause a fever, to cure our nation's chronic fever, this is similar to using gasoline to extinguish a fire. What result will this achieve? Is it hard to imagine?

Regulations on Profiteering Instituted

OW1603224689 Beijing XINHUA in English
1625 GMT 16 Mar 89

[Text] Beijing, March 16 (XINHUA)—A set of new regulations aimed at punishing profiteering within government institutions and businesses came into effect today.

The regulations, issued by the Supreme People's Court and the Supreme People's Procuratorate, stipulate that anyone directly responsible for illegal profits of 100,000 to 200,000 yuan or speculations involving 300,000 to 600,000 yuan in his or her institution will be charged and punished according to the criminal law.

He or she will be sentenced to up to three years' imprisonment. Those involved in more serious cases will be jailed for three to 10 years, according to the criminal law.

The regulations are also aimed at punishing those government institutions or enterprises reselling state-controlled materials at a profit or those producing and selling fake or low quality goods or reselling important raw materials.

Lin Zhun, vice president of the Supreme People's Court, said that altogether 1,665 speculators were punished by courts at various levels in 1988. However, quite a number of speculators are still at large.

Chen Junsheng Presides Over Teleconference

OW1703084889 Beijing XINHUA in English
0739 GMT 17 Mar 89

[Text] Beijing, March 17 (XINHUA)—A national teleconference was held Thursday by the State Council to urge local authorities to ensure the supply of means of production for this year's farm harvests, the "PEOPLE'S DAILY" reported today.

State Councilor Chen Junsheng, who presided over the teleconference, urged local authorities to do a good job of supplying chemical fertilizers, pesticide and plastic sheeting to farmers. The conference also urged local authorities to use wisely the investment the Central People's Bank recently put into pesticide, chemical fertilizers, plastic sheeting, fine seeds and farm machinery.

To overcome the shortage of pesticide, the State Council urged the local authorities to make sure this year's supply is adequate.

Trade Union Federation Approves Work Priorities
HK1103023689 Beijing GONGREN RIBAO in Chinese
26 Feb 89 p 1

[Report by reporters Ma Shichang (7456 0013 2490) and Han Sen (7281 2773): "The 2d Session of the 11th Presidium of the All-China Federation of Trade Unions Calls On Trade Unions at All Levels To Exert Themselves and Do Their Work Well To Promote Economic Growth and Social Stability"]

[Text] After 3 days of intensive work, the 2d Session of the 11th Presidium of the All-China Federation of Trade Unions approved the "1989 Work Priorities for the All-China Federation of Trade Union." The meeting pointed out: Trade unions at all levels throughout the country should exert themselves, center on the work of arousing the enthusiasm of workers and staff members, ensure the status of the working class as masters of the country, safeguard the legitimate rights and interests of workers and staff members, make a success of trade union reform, and do their work well to promote the growth of the productive forces, economic prosperity, and social stability and unity.

Imbued with a strong democratic atmosphere in which the participants enthusiastically took the floor, the presidium meeting reflected the spirit of collective leadership. The members of the presidium attending the meeting conscientiously analyzed and studied the situation since the 11th Trade Union Congress, the new conditions in trade union work, and the work to be done this year.

The members held that, since the convocation of the 11th Trade Union Congress, through the efforts of trade unions at all levels and with the solicitude and support of the party committees and governments (administration) at all levels, the spirit of the 11th Trade Union Congress has been widely relayed to and implemented at the grass-roots levels. In a bid to strengthen and improve the external environments of trade unions, the party committees and governments of many provinces, autonomous regions, and municipalities have made corresponding decisions and adopted some new measures. Since the 11th Trade Union Congress, new progress has been made in many aspects of trade union work and a good momentum of striving to open up a new situation in trade union work has emerged all over the country.

In their speeches, the members pointed out: Although good momentum has emerged in trade union work, the work to implement the spirit of the 11th Trade Union Congress has just started, the development of trade union work in all parts of the country is uneven, the external relations of trade unions have yet to be further straightened out, and effective measures should still be taken to conduct trade union reform. In doing a good job of economic construction, reform, and opening up and stepping up work in the political and ideological fields, the central leadership has set many new demands. Recently, the central leading comrades pointed out on many occasions the need to attach importance to relying on and giving scope to the enthusiasm of workers and staff members, to ensure the status and rights of workers and staff members as masters of the country, and to attach special importance to bringing into play the role of trade unions. They also stressed that trade unions should represent workers and have different voices. Therefore, trade unions at all levels throughout the country and the vast numbers of trade union cadres should carry out arduous struggle, make continued efforts, do all fields of endeavor satisfactorily, and achieve successes in the new year.

The "1989 Work Priorities for the All-China Federation of Trade Unions" pointed out: The general guideline for trade union work in 1989 is to closely center on the overall situation of improving the economic environment, rectifying the economic order, and deepening the reform, continue to penetratingly carry out the spirit of the 11th Trade Union Congress, unite with all workers and staff members throughout the country and, with one heart and one mind, exert the greatest efforts for the state's economic development and political stability. In our work this year, we should take great pains to bring into better play the enthusiasm of workers and staff members, improve enterprise results, and increase social effective supply; make further efforts to establish and perfect the system of democratic participation and social supervision by trade unions and conscientiously safeguard the status of workers and staff members as masters of the country, as well as their legitimate rights and interests; and increase the vitality of trade unions at the grass-roots level, energetically push forward trade union reform, and bring into better play the role of trade unions as important social and political organizations.

The work priorities are as follows: Conscientiously do a good job of education in the current affairs among workers and staff members; launch the "double increase and double reduction" campaign and increase social effective supply; meticulously study and handle policy issues involving the interests of workers and staff members; conscientiously implement the "Enterprise Law" and energetically explore the theories and ways to establish an enterprise interest community; push forward labor legislation and promote further improvement in the system of multilevel trade unions' democratic participation; vigorously support workers and staff members in joining the antidecadence struggle and make

further efforts to open up channels of social supervision by trade unions; safeguard social stability and unity with a high sense of responsibility; vigorously promote trade union reform and conscientiously experiment with the reform of trade unions at the grass-roots level and in the cities; energetically and steadily develop the economic undertakings of trade unions; step up the training of trade union cadres and theoretical research work; and, given the new situation, step up trade union's external liaison work.

Ni Zhifu, president of the All-China Federation of Trade Unions, presided over the meeting.

Zhou Houze, first secretary of the Secretariat of the All-China Federation of Trade Union, also spoke at the end of the meeting.

The meeting discussed the question of mobilizing the workers and staff members throughout the country to usher in, with outstanding achievements, the national labor hero conference held on the eve of National Day this year, approved the "Decision on Getting the Workers and Staff Members Throughout the Country Into Action and Ushering in the Convocation of the National Labor Hero Conference With Outstanding Achievements," and entrusted the Secretariat of the All-China Federation of Trade Unions the task of publishing it after making further revisions. The meeting also discussed the "Rules of Procedure for the Presidium of the All-China Federation of Trade Unions" and the "Work Rules for the Secretariat of the All-China Federation of Trade Unions."

Ni Zhifu Addresses Union Presidium

HK1103020089 Beijing GONGREN RIBAO in Chinese
24 Feb 89 p 1

[Report by reporters Ma Shichang (7456 0013 2490) and Han Sen (7281 2773): "Ni Zhifu Speaks at the 2d Meeting of the 11th Presidium of the All-China Federation of Trade Unions"]

[Text] Trade union work in 1989 must be arranged around the central tasks of improvement, rectification, readjustment and reform. We should continue to implement the spirit of the 11th National Trade Union Congress, truly establish the position of the working class who are the masters of their own affairs, and fully arouse the enthusiasm of workers and staff members. To arouse the enthusiasm of workers and staff members, we should deepen the reform, and promote the common interest of enterprises. These were the demands set forth by Ni Zhifu in his speech delivered at the 2d meeting of the 11th presidium of All-China Federation of Trade Unions held on 23 February.

When talking about the focal points of trade union work in 1989, Chairman Ni Zhifu demanded that true results must be achieved in the following three areas.

1. We should do more work to arouse the enthusiasm of workers and staff members, and integrate the work with education in current affairs. We should enhance economic results and increase effective supplies so that we can fulfill the duty of trade unions. The central authorities have decided to hold a national meeting to commend model workers on the eve of the 40th anniversary of the founding of the People's Republic. We should call on and organize workers and staff members to carry out the movement of "double increase and double economy" in a profound and sustained way to greet the convening of the national meeting of model workers with their outstanding achievements in reform, opening up, improvement, and rectification. We should further deepen the reform, conscientiously enforce the "enterprise law," and jointly promote the common interests of enterprises. Now it is obvious that to run an enterprise well, we should do well the work in the following three areas. First, enterprises must conscientiously implement the line, guiding principle, and policy of the party. Second, we should truly rely on the masses wholeheartedly rather than merely paying them lip service. We should promote democratic and scientific management. Ni Zhifu criticized some leaders of enterprises for their antagonistic attitude toward workers and staff members, their failure to respect the status of workers who are the masters of their own affairs and legitimate interests, and their erroneous methods in dealing with workers. He believed that such action could only sharpen contradictions, and was not beneficial to solving problems. The trade union must resolutely support the reasonable demands of workers and staff members, and do more mediation work. Third, factory directors and members of leading bodies themselves should set a good example, and refrain from pursuing dishonest practices. The party, administrative and trade union organizations in enterprises must work together to establish good leading bodies.

2. Greater progress must be made in perfecting the democratic participation of trade unions in public affairs, and the social supervisory system. Many contradictions will occur in the course of improving the economic environment and rectifying the economic order, and some unstable factors will also exist. The development of the situation has demanded that trade unions more effectively participate in the coordination of social interests, in legislation, and in the formulation of important policies. Trade unions must protect the legitimate rights and interests of workers and staff members, and support them in taking part in the struggle against corruption. By participating in handling various kinds of complicated contradictions, the participating and supervisory mechanisms of trade unions should be systematized. The broad masses of trade union workers must work together with the people to defend the stability and unity of society with a high sense of responsibility. We should work meticulously to ease and mitigate contradictions.

3. Substantive progress must be made in reforming the trade union itself. The reform of the trade union must be gradually promoted with the development of the situation as a whole, and gradual deepening of political

structural reform. Trade unions in various localities must actively and steadily promote their reform. They must go ahead with the work without relying on others. They should start the reform with problems which are ready to be settled. We should strive to make a new breakthrough in reforming the grass-roots trade unions, and the systematic reform of the rural trade unions.

The main items on the agenda of the recent meeting of the presidium included: 1) Discussing and approving the focal points of the work of All-China Federation of Trade Unions in 1989; 2) discussing and approving the resolution on calling on workers and staff members throughout the country to greet the convening of the national meeting on commending model workers with their outstanding achievements, and 3) discussing and approving rules and regulations governing the discussions of the presidium.

Ni Discusses Union Work

HK1030:1089 Beijing GONGREN RIBAO in Chinese
24 Feb 89 p 1

["Ni Zhifu Talks to Reporters in Shanghai About Trade Union Work"]

[Text] How is the situation in the trade unions' work after the 11th national trade union congress? Ni Zhifu, president of the All-China Federation of Trade Union, recently told these reporters in Shanghai that trade unions in all localities are seriously implementing the spirit of the 11th National Trade Union Congress, and the feedback in general is favorable. In a word, leading bodies at all levels have attached importance to the trade unions' work.

In particular, as major social and political organizations, the trade unions are seriously rationalizing their relations with party organizations and governments. Trade union cadres have a clearer understanding of their work orientation. A gratifying fact is that party organizations and governments at various levels have attached greater importance to the trade unions and have more clearly understood that it is necessary to give play to the trade unions in settling various problems in the course of reform in a socialist country.

Ni Zhifu said: The economic situation in our country is developing, and the political situation remains stable. However, in our actual life, there indeed exist difficulties and problems that brook no neglect. We are facing arduous tasks of improvement, rectification, and in-depth reform. The fundamental way is to carry on reform, speed up the development of productive forces, and increase our comprehensive national strength. For this purpose, the primary task for the national trade union federation in 1989 is to call on the workers throughout the country to demonstrate the noble spirit of the working class, work hard, take the interests of the whole into account, share the state's cares and burdens, overcome and tide over the difficulties with the whole

nation. The working class in our country has made indelible and tremendous contributions to the development of the productive forces. We should carry forward this tradition. At the same time, he pointed out that economic development and political stability are interdependent, and both are indispensable. When mobilizing the working masses to increase effective supply to society, trade unions at various levels should also effectively safeguard the legitimate rights and interests of the working masses. Enterprise managers should respect the master position of the workers. While exercising strict management, they should also show loving care for the workers, effectively solve their difficulties in their work, daily lives, income distribution, and welfare benefits.

Comrade Ni Zhifu used a vivid simile to interpret the relationship between trade unions and administrative organs. He said that the trade union and management are like the two nostrils of a nose. They inhale and exhale air separately, but the air must pass through the same trachea and serve the same purpose (that is, both the trade union and the management should serve the interests of the state and the people). If either of these nostrils is clogged, the person will be sick. He said: At any time, we must firmly believe in and rely on the masses, and this is an important point. Without popular support, without the joint efforts of the people, without mass participation, our trade unions' work, Shanghai's work, and even the state's work will never succeed. Therefore, in the course of reform, we should tell the truth to the masses, and also tell them about the difficulties and the methods of overcoming the difficulties so as to mobilize them to make joint efforts to tide over the difficulties. To achieve this purpose, we need to do in-depth ideological and political work, to promote the two civilizations at the same time, to fulfill the tasks and achieve results in the two fields at the same time. This is the tradition of our party, and is also our advantage, which must be maintained and carried forward by our socialist enterprises.

Ni Zhifu pointed out that at present, the most important political task for us is to develop production. Without good results in production, we will achieve nothing in other fields. Therefore, it is of great importance to invigorate the large- and medium-sized enterprises. The key factor for invigorating these enterprises is the improvement of the work of work teams. He said: The work teams are cells of an enterprise. If 50 percent of the work teams in an enterprise become highly efficient in production, then a favorable "minor atmosphere" will be formed and the enterprise will become vigorous. If all enterprises pay attention to improving the work of each work team, then the work of the enterprises as a whole will certainly be improved, and then Shanghai's work as well as China's reform will be able to succeed.

In line with this idea, Ni Zhifu said, the national trade union federation has worked out 11 key points for the its work in the future and a general program for the reform of the national trade union federation's own work. The general principle is that all things unsuited to the needs of reform will be changed.

During his stay in Shanghai, Comrade Ni Zhifu held talks with some trade union cadres, factory managers, and worker representatives in Shanghai, and visited some large- and medium- sized enterprises and Chinese-foreign joint ventures.

New Ideas on Trade Union Work Advanced
HK1103073089 Beijing RENMIN RIBAO in Chinese
9 Mar 89 p 2

[XINHUA report by Gu Hongcheng (7357 3163 3163): "Zhu Houze Puts Forward New Idea on Trade Union Work"]

[Text] Beijing, 7 Mar (XINHUA)—"Build enterprise interest communities at the grass-roots level and build grass-roots trade unions into democratic mass organizations." This is a new idea on stimulating trade union work introduced by Zhu Houze, first secretary of the Secretariat of the All-China Federation of Trade Unions, at the ongoing "meeting to exchange experience in relying on staff members, workers, and the masses in deepening the enterprise reforms" in Beijing.

Zhu Houze suggested: The reforms carried out over the past 10 years and the gradual establishment of a new commodity economy order have made it possible for enterprises to become independent commodity producers and dealers [shang pin jing ying dan wei 0794 0756 4842 3602 0830 0143] that assume sole responsibility for their own profits and losses, make the enterprises relatively independent, and provide the external conditions for the establishment of enterprise interest communities. However, to establish interest communities, it is first necessary to do the following three things in the enterprises: First, it is necessary to coordinate the material interest relationships between various parties; second, it is necessary to have common pursuits and common goals and to form an enterprise spirit; and third, it is necessary to allow the masses of staff members and workers to participate in enterprise decisionmaking. In conclusion, people within an interest community should share some common material interests and have spiritual mutual understanding and some common values, so that there will be harmonious interpersonal relations.

At the meeting, Zhu Houze introduced two more new ideas on promoting trade union work: First, political participation and discussion of political matters by local trade unions, particularly by city-level trade unions, should be encouraged, in order to enhance the role of trade unions as sociopolitical organizations. Second, it is necessary to enliven legislative work, political participation, and the discussion of political matters at the grass-roots level, to strengthen such work at higher levels and, on the basis of all this, give impetus to trade union reforms.

LIAOWANG on Population Growth
OW1703021489 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 10, 6 Mar 89 pp 17-18

[Article by Hu Angang (5170 1344 6921) "The Causes of the Loss of Control of China's Population and Counter-measures"]

[Text] Population Resurgence and Runaway Population Growth

There are two completely opposite arguments and explanations regarding China's population growth in recent years. One argues that the resurgence in the birth rate is in line with the development of its population; the other calls it a runaway population growth and a serious problem. If the population keeps growing at the current rate, the total population in China will top 1.2 billion by 1994 and will probably go beyond 1.3 billion by 2000. Experts note that overpopulation is both a historical phenomenon and a fact that China must come to terms with in the future. The heavy burden caused by overpopulation will not be eased in the 21st century and will put further strain on politics, economy, society, resources, and environment.

What Causes Runaway Population Growth

Traditions, such as "to carry on the family line," "to prefer boys to girls," and "to want to have lots of children to bring in great fortunes," are still very prevalent in China. In rural areas, the agricultural economy, featuring manual labor, is still the primary pattern of production. This traditional production pattern was not changed by the reform initiated in 1978; instead, its economic role has been strengthened with the family as the basic production unit. What is more, since the founding of New China, social welfare and social security programs have developed at a very slow pace in rural areas, leaving farmers with a strong desire to produce many children. Currently, as families expand their family production in proportion to the number of able-bodied persons they have, to increase their income and get rich, farmers are tempted, to a great extent, to want to bear many children to become prosperous.

Since the seventies, there have been changes in China's population development that go against the wishes of the child-bearing populace. In the course of this special transformation, the state was able to carry out its strict birth control measures with the help of high centralization and coordination in policy and organization. During the recent years of rural reform, however, the structure and function of administrative organizations at all levels underwent great changes, which had various impacts on birth control organizations. Many localities no longer have the post of women's team master, and subsidiary allowances for full-time and part-time family planning personnel are generally in trouble. The lack of strong organization has greatly weakened the effectiveness of the state's population policy in recent years.

One other objective, a favorable factor that helped successfully control China's population in the past, was the strict nationwide household registration and administration system that restricted the mobility of the population. The immobility enabled administrative organizations at all levels to count the population within their jurisdiction and control its development. Now that more people are moving far and wide, birth control becomes very difficult. The upsurge in out-of-town and covert childbirth in rural areas in recent years is closely related to increased population mobility.

According to quantitative analyses of key social, economic, and political variables affecting women's gross childbirth rate, the government's birth control policy among all variables, played the largest role in lowering the gross childbirth rate (nearly 50 percent). In 1982, the Chinese Government decided "to promote the one child per couple policy in rural areas. Those that really had difficulty complying with the policy and wanted to have a second child would be allowed to do so once they passed examination." The two-child special treatment was set at less than 5 percent and the gross childbirth rate was lowered from 2.63 percent in 1981 to 2.43 percent in 1982. The policy was carried into 1983 and the gross childbirth rate was down to 2.10 percent. In 1984, "the two-child special treatment for rural areas was raised to around 10 percent from less than 5 percent." With 4.55 million born as second children and 3.51 million born as third children or beyond that year, the gross childbirth rate was 2.06 percent. In 1985, the special treatment was further "extended to 20 percent." The number of second children born that year climbed to 5.57 million and the number of third children or beyond increased to 3.64 million, with a gross childbirth rate rising to 2.19 percent. In 1986, as the special treatment was extended to families with only girls, the percentage was raised to at least over 50 percent. That year, the number of second children soared to 6.88 million, the number of third children or beyond amounted to 3.78 million, and the gross childbirth rate rose to 2.30 percent.

In 1987, except for the minority nationalities, families were allowed to have two children in five provinces and autonomous regions including Guangdong, along with the mountainous and border counties in some provinces including Sichuan; and 14 provinces and autonomous regions allowed families with only girls to wait a few years to have second children. In general, the one child per couple policy was implemented in the three municipalities of Beijing, Tianjin, and Shanghai (with the exception of suburban counties), as well as six provinces including Sichuan. In that year, the number of second children reached 7.8 million, the number of third children or beyond climbed to 4.37 million, and the gross childbirth rate was as high as 2.50 percent.

Therefore, we see a clear correlation between the two-children special treatment percentage and the gross childbirth rate.

The Main Contents of China's Population Policy

The basic principles and main contents of China's population policy should be as follows:

- Strictly control the size of the population. For a very long period into the future, China must steadfastly carry on its birth control policy to "promote one child per couple, strictly control the number of second children, and firmly put a stop to the birth of third children."
- Improve the quality of population, including their physical health, education, and morals. To achieve this, China must scientifically raise its people's nutrition level, actively develop its medical and health care services and education, and promote education in socialist spiritual civilization. At the current stage, however, China should pay special attention to raising the production skills of every worker (specially the rural workers) to improve the quality of its population. To do so, China should step up short-term training of specialized practical skills, expand vocational education from urban areas to rural areas, and gradually integrate vocational training into its education system.
- Readjust the population structure step-by-step, including age, urban-rural, and regional structures. China should make great efforts to develop commodity economy in rural areas, foster division of labor and large-scale operation in farming, encourage and guide the development of the cooperative economy and collective economy, and substitute the interdependence on social organizations for that on families; and, based on that, gradually develop social security and social service programs. On the aging problem, in light of the scarcity of resources, China should refrain from raising its birth rate to dilute its old-aged population, but instead should try to find ways to pay off the price of an aging society by developing its economy and improving education.

Major Measures for Population Control

China's population policy is aimed eventually at changing or adjusting personal behavior. To implement the population policy effectively and comprehensively, it is inevitable and absolutely necessary for the Chinese Government to get involved in this matter.

First of all, various propaganda channels and media should be continuously used to tell people about the government's population policy to arouse a sense of crisis and responsibility among them, to reduce their expectation for childbirth, and to alleviate or decrease their resentment against the state population policy. At the same time, it is necessary to publicize the relevant policies and rules, to clearly define regulations on rewards and punishments, and to make known to all the benefit of giving birth to a single child and the price to be paid for having more than one child. Efforts should be made to foster the concept that people should "bear fewer children, promote good parental care, and let their children be educated into qualified personnel to lead a

better-off life" and that "imprudent multiple childbirths will get people into a lot of trouble." In addition, the knowledge of birth control, good parental care, and sound practice in bringing up children should be disseminated through the mass media.

Second, it is necessary to strengthen control over family planning, clearly define the responsibilities of family-planning work, and effectively solve practical problems for cadres working in this regard to stabilize and strengthen the contingent of such cadres. It is essential to make family planning and rural administrative and production organizations coordinate with one another and promote one another's work. Social organizations and forces should be mobilized to do a good job in family planning. How family planning is implemented should be regarded as one of the items to be evaluated in appraising the performance of various organizations and their cadres.

Third, it is necessary to continue implementing reward measures for couples with only one child. Those who fail to implement family planning should be sternly and comprehensively punished. In the rural areas, whether or not peasants practice family planning may be linked to their vital interests. Drawing on other countries' experiences, the state should improve the tax system, including a population regulation tax. In short, demonstrations should be given to guide peasants in voluntarily choosing family planning as directed by the state. Peasants should be made to understand that only by practicing family planning will they be able to take the minimum risk and have greater chances to gain more benefits.

Last, China has a large rural population that is scattered over a vast area and is culturally backward. Transport and medical facilities in rural China are poor. In view of all this, it is necessary to organize scientists and technicians to tackle difficult problems; to develop and produce safe, simple, effective, practical, and low-priced contraceptive pills and instruments; and to patiently and carefully provide various contraceptive services for large numbers of couples of childbearing age.

Reform, Social Convergence Viewed
OW1703000389 Beijing GUANGMING RIBAO
in Chinese 27 Feb 89 p 3

[Article by Xin Xiangyang "Reform and Social Convergence"]

[Text] Different social economic systems will become increasingly similar in the course of their development as they adapt to the same social environment and consciously absorb strong points from each other. This is called social convergence. There are two different theories concerning social convergence appearing as socialist and capitalist countries reform and readjust themselves: One is the "theory of convergence" held by Western scholars, the other is the Marxist point of view.

The "theory of convergence" is the Western scholars' general explanation of the phenomenon of social convergence. It was developed by Jan Tinbergen, a noted Dutch economist and co-winner of the first Nobel Prize for Economics. Social convergence, under the definition of the "theory of convergence," implies a special meaning; that is, the two systems will lead to a "third system" which is neither capitalist nor socialist. The "theory of convergence" blends the strong points of socialism and capitalism, tries to substitute "converged society" for communist society—the ultimate human society, and thus objectively proves that capitalism will not become extinct. This wrong conclusion of the "theory of convergence" stems from the unreliability of its premise. First of all, the best economic system of the "theory of convergence" is only presumptive hypothesis and has never been proven in practice. Second, the logic of the "theory of convergence" that similar environments produce similar systems is also unreliable. It is not necessary that similar environments produce similar systems. Different species adapt differently to the same environment. Some species may not be able to adjust to the environment and are eliminated. The development of a social system follows the same vein.

Marxism maintains that social convergence and the "theory of convergence" are two totally different things, and should not be combined. What we want to refute is the "theory of convergence" and not social convergence. Marxism holds that the convergence of the two major social systems today is an objective necessity. It is arrived at as the socialist countries reform themselves and the capitalist countries readjust their economic activity. (Actually, this is also a kind of reform. In 1986, U.S. President Ronald Reagan called "tax reform," a revolution to rebuild the United States.)

Since the end of World War II, a number of socialist countries has emerged. In their early days, those countries basically modeled themselves on the Soviet Union and, as a result, are basically identical in structure and are completely different from their capitalist counterparts. But, from early fifties, when Yugoslavia first underwent economic reform, to the eighties, there have been several waves of reform in socialist countries: Yugoslavia from 1950-1953; Poland, Hungary, the Soviet Union, and Czechoslovakia around 1956; the Soviet Union, China, and Yugoslavia at the turn of sixties; reform in East Europe triggered by the "Prague Spring" in 1968; and in the eighties, the tide of reform swept through almost all socialist countries. As far as socialist reform is concerned, there are three factors leading to social convergence:

1. The catch-up effect of reform results in convergence. Generally speaking, developed capitalist countries are at a high stage of industrial civilization, while socialist countries are at a low or undeveloped stage. The top priority for socialist countries in their reform is to catch

up to the high stage of industrial civilization in a relatively short time and at the least price. To catch up implies to imitate; and imitation will result in social convergence.

2. The development of reform helps socialist countries get rid of appended elements, enables us to consciously assimilate what capitalist countries invent and develop that, in essence, belongs to the category of socialized mass production, and thus results in convergence.

3. Reform brings on internal diversification, which leads to external convergence. One of the important results of the five waves of reform in the socialist world is the diversification and differentiation within the socialist system. Socialism transforms from a single mode into a multiple mode. In terms of the principal and pattern of economic regulation, socialism can be divided into three categories: 1) Central planning socialism. The state commands the final decisionmaking power on society's macroeconomic activity, as well as a great portion of enterprises' economic activity, with the market playing a limited role. With legally-binding, mandatory plans, the state regulates national economic production and distribution. This is represented by the GDR and the USSR. 2) Market regulating socialism. The economic activity of a country is automatically regulated by the market. The state gives up its mandatory plans and implements guiding social plans. This is represented by Yugoslavia. 3) The organic combination of central planning and market regulating socialism. This is represented by Hungary and China.

At the same time, since the fifties, the capitalist nations have continuously readjusted and transformed production relations, thereby creating increasing differences inside the capitalist system. Also in capitalism, a unitary market economy pattern has gradually given way to the juxtaposition of a pattern of economic planning plus the market economy, and that of the market economy; of which France is a representative of the former pattern, and the United States the latter. As early as January 1946, France promulgated laws and regulations to carry out the middle-period economic plans and set up the planning committee and general planning office. So far, France has drawn up, and implemented, nine programs in succession and has basically established a pattern of economic planning plus the market economy. It is exactly because of the diversification of patterns inside both socialism and capitalism that many people think socialist and capitalist systems have grown similar in two ways: The assimilation of individual patterns, which refers to the fact that the pattern of economic planning plus the market economy practiced by France, Japan, and Sweden, and the one of central planning and market regulation adopted by China and Hungary are growing similar to each other, and that the United States' market economy pattern and Yugoslavia's market regulation pattern are becoming alike. The assimilation of the systems, which refers to the fact that since pure planned economy and market economy cannot possibly exist, all

economic patterns are combinations of both. Both socialism and capitalism are seeking the optimum combinations of market and planned economies, meaning that all systems are going to establish this kind of pattern. This is a kind of overall assimilation.

In addition to sharing a tendency for combining economic planning and market forces, socialism, and capitalism are converging in the following aspects:

1. Their growing similarity in productive forces. The historical mission of the capitalist class is to "unhesitatingly promote the development of labor productivity of mankind in accordance with geometric progression" ("Das Kapital," Volume III, page 292). This historical mission encouraged capitalism to continually push productive forces to a higher level. Currently, the capitalist class is pushing toward a new material situation in which material wealth is no longer decided by man's direct labor, but by the scientific level and technological advances. The goal of the reform of socialism likewise is to bring the productive forces onto an advanced scientific and high-technology level. The two goals are the same.

2. Their growing similarity in social economic formations. When productive forces of capitalist societies reach an advanced scientific and high-technology level, capitalism will face the danger of disintegration. Marx believed that once the productive forces reach such a level (an advanced scientific and high-technology level), "capitalism, itself a form of controlling production, will disintegrate." ("The Complete Works of Marx and Engels," Volume 46, Part 2, page 218) After capitalism disintegrates, the material wealth it has created can be used to enable society to transcend the several development stages socialism has to go through in reality and directly enter an advanced form of socialism or communism. This accords with the goal the reform of socialism aims to achieve.

The reform is bringing about a convergence between the socialist and capitalist systems in many spheres. This convergence will eventually develop into a high form of socialism or communism. These two systems will never become fused into a so-called "convergent society," neither capitalist nor socialist. Socialism and capitalism as they are today have many qualitative differences between them, differences in the system of ownership being the most prominent. There are major differences between the socialist and capitalist systems of ownership, and there is an incompatibility between them. The correct orientation for reforming the existing socialist system of ownership should be to use the system of state ownership as the medium to establish a new system of public ownership which is a combination of ownership by society and by the individual. This will be a "system of ownership like the platypus, which has both the characteristics of a mammal and that of a bird" as Engels said in his "Dialectics of Nature." I shall call this a system of joint ownership. It has the following four clear characteristics: 1) The means of production will really

become owned by society, which will effectively allocate the means of production belonging to society. Under this system, means of production will be used in accordance with the wish of society. 2) Every citizen in society has the right to use the means of production owned by society. As individuals, all citizens have an equal share of every means of production owned by society. This system of joint ownership absorbs the strong points of the capitalist system of private ownership (very clear-cut relations of property rights, definite owner designation, etc.) and the mechanism of motive power inherent in the system of private ownership. But, it also surpasses the capitalist system of private ownership (whose intrinsic characteristic of private ownership of means of production is discarded). This is a kind of system of joint ownership which integrates efficiency with fairness. In the course of reform, we can establish a system of joint ownership with that of state ownership as the medium. 3) State ownership will become socialized. In other words, when society continually acts as a partner to the state, when the people continually act as partners to the state, society will automatically take back certain social rights taken by the state, including the means of production. 4) State ownership will become personified. In other words, by constantly defining the relations of property rights over state property, specific individuals will be made responsible for the possession and use of the means of production of the enterprises. In contrast, however the capitalist system of private ownership may change, it will, in itself, always be manifested in the private possession of the means of production. It excludes ownership by society. Therefore, it is unthinkable that a "convergent society," in which both ownership by society and private possession occupy a dominant position, will ever appear.

October Premier Slated for Novel-Based Movie
OW1503190989 Beijing XINHUA in English
1607 GMT 14 Mar 89

[Text] Beijing, March 14 (XINHUA)—An eight-part movie series based on the classical novel "Dream of the Red Mansions" will soon be shown in China and overseas.

The series, depicting the tragic love of young aristocrats and the decline of a once-great Manchu family, is being produced by the Beijing Film Studio and directed by Xie Tieli.

After four years' hard work, Xie has finished three of its eight parts. The movie actress Liu Xiaoqing plays a shrewd young woman in the series, which is expected to cost 12 million yuan.

Japan has paid 90,000 U.S. dollars an episode for the right to distribute the film in Japan. Taiwan has agreed to pay 80,000 U.S. dollars an episode for the Taiwan distribution rights. Some of the East Asian countries have expressed interest in buying copies.

The first three parts will be shown nationwide in China in October as the studio's contribution to the celebrations of the 40th anniversary of the founding of New China. The other parts will be finished by the end of the year.

The Beijing Film Studio will celebrate its own 40th birthday on April 20. "Dream of the Red Mansions" will be shown to the Beijing audience attending the studio's festival of new films.

Song Chong, director of the studio, said that the studio will also extract some familiar material from the novel to develop as highlights, such as "Wang Xifeng," "Yao Sisters of the Red Mansion" and "Grandma Liu Visiting the Grand Garden".

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HK1603030689 Beijing RENMIN RIBAO in Chinese
15 Mar 89 p 8

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Article by QIUSHI reporters Luo Shugang and Chen Huai peng, and Hu Jian and Dai Xiaoshu of the Organization Department of the Zhejiang Provincial CPC Committee: "Attempts To Reform the Internal Party System of Jiaojiang City, Zhejiang Province"

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Science & Technology

3-Tier Scientific Management System Proposed *HK1603021989 Beijing RENMIN RIBAO in Chinese 11 Mar 89 p 1*

[XINHUA report by reporter Chen Jinwu (7115 6855 2976): "As of the Eighth 5-Year Plan, China Will Tackle Key Scientific, Technological Projects at Three Levels"]

[Text] Beijing, 10 Mar (XINHUA)—The State Planning Commission will change the management of the plan for tackling key scientific and technological projects. As of the Eighth 5-Year Plan, the national plan for tackling key scientific and technological projects will be organized along three lines, namely, the state, trade, and region, in order to gradually develop a multilevel, three-dimensional planning pattern at the state level, the department or trade level, and the regional level.

At today's work meeting on tackling the state's key scientific and technological projects during the Seventh 5-Year Plan, Jiang Junlu, deputy director of the Science and Technology Department of the State Planning Commission, said: In the plans for tackling key scientific and technological projects during the Sixth and Seventh 5-Year Plans, there is only a unitary structure at the state level. This does not help bring into play the positive roles of various quarters. During the Eighth 5-Year Plan period, the state plan, which will be the focus of the national plan for tackling key scientific and technological projects, will concentrate forces to tackle major issues that transcend regions and trades and have a bearing on the overall situation; the trade plan will give prominence to key problems in certain trades and seek to tackle those scientific and technological problems that will play a crucial role in promoting trade development; the localities should also gradually and systematically work out plans with their own characteristics and, in light of the practical conditions in their localities, such as the features of resources and conditions of economic growth, concentrate forces to tackle important scientific and technological problems.

First Magnetic-Levitation Train Developed *OW1603101589 Beijing XINHUA in English 0753 GMT 15 Mar 89*

[Text] Changsha, March 15 (XINHUA)—A small magnetic-suspension train has been successfully developed for the first time in China, according to a press release from the National Defense Science and Technology University.

The train is suspended from the track by magnetic force and propelled by a straight-line induction electrical engine. Its speed can reach more than 500 kilometers per hour (kph) and experts predict that it will become a product in great demand at the end of this century and the beginning of the next century.

The current model of magnetic-suspension train has a gross weight of 140 kilograms and can carry an effective load of 80 kilograms. The gap between the train bottom and track is five mm.

The university set about developing this high technology item in 1982.

Astronomers Study 'Huge Mass of Sunspots' *OW1303211889 Beijing XINHUA in English 1643 GMT 13 Mar 89*

[Text] Beijing, March 13 (XINHUA)—A huge mass of sunspots 18 times the size of the earth has appeared on the surface of the sun over the past week, and Chinese astronomers are taking a close look at its impact on the earth.

Sunspots are disturbances on the sun's surface which appear as dark cool patches surrounded by a lighter area.

According to the Beijing Astronomical Observatory, which is studying the outburst of sunspots through its optical, radio, and magnetic telescopes, the sunspots first appeared in the eastern hemisphere of the sun's surface March 7, and they moved to the western hemisphere of the sun yesterday.

A spokesman from the observatory told XINHUA today that this outbreak of large numbers of sunspots marks the beginning of another climax of solar activities.

"The appearance of sunspots could strengthen solar short-wave radiation and increase the frequency of high-energy particles, which would in turn damage shortwave radio transmission and satellite operation, and cause intense magnetic storms and polar light phenomena," said Professor Xue Yisheng, a researcher at the observatory.

This huge mass of sunspots will not disappear until next Monday, scientists say. When the sunlight becomes weak during the morning or the afternoon, amateur astronomers can see them with the naked eye or, better still, through a pair of dark sunglasses, they noted.

Tolerance Toward Scientists Urged *HK1503134689 Beijing ZHONGGUO XINWEN SHE in Chinese 1417 GMT 13 Mar 89*

["Hu Qiaomu Says an Objective and Tolerant Attitude Should Be Taken Toward Sciences and Scientists—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 13 Mar (ZHONGGUO XINWEN SHE)—Hu Qiaomu, the CPC ideological expert who has retreated to the second line today called on the government here to adopt an objective and tolerant attitude toward sciences and scientists.

Hu Qiaomu made the above remark at the celebration meeting of the publication of the "Chinese Historical Map Collection." He said, our government and the

ruling party must take an objective and tolerant attitude toward scientists and support them. If there is any evaluation on scientific studies, scientific methods and attitude must be adopted.

He said, there is every reason for the sciences and scientists to be respected and held as important by society. Scientific work is conducted amid difficulties and loneliness. Statesmen should first of all advocate and support the sciences and scientists, and secondly they must hold an objective attitude. To a certain extent an objective attitude is a tolerant attitude.

Mr Hu pointed out that for politicians and those who wield some power, it is difficult to admit their own mistakes. When only one criterion is employed in evaluating things surrounding us, it is only natural that some of the things will be seen as conforming to the criterion while others not. Under this condition an objective and tolerant attitude is required.

In particular, Mr Hu remarked that in order to really have an objective mind toward scientific studies, people must be prepared to recognize the rights of the existence of opinions and viewpoints, erroneous as they may be; or when we either do not agree to them or find them hard to accommodate. We should not let our long-established concepts, habits, or interests interfere with evaluation and judgment on scientific issues. Only in this way can China's scientific work develop vigorously.

Hu Qiaomu, now 76 years old, is the honorary president of the Chinese Academy of Social Sciences. In the 2d half of this month he will fly to the United States on a 40-day academic exchange visit in response to the invitation extended by U.S. academic institutions such as the California Institute of Technology and the University of Michigan.

'Spark' Program Yields Good Results

OW1503235689 Beijing XINHUA Domestic Service
in: Chinese 1508 GMT 6 Mar 89

[By reporter Jiang Zaizhong; "Local Broadcast News Service"]

[Text] Beijing, 6 Mar (XINHUA)—After 3 years' implementation, the "Spark" plan has achieved tremendous successes. By the end of 1988, 5,100 projects were completed, thereby increasing output value by 11.2 billion yuan and profits and taxes delivered to the state by 3.6 billion yuan, earning \$1.6 billion in foreign exchange, and enabling the input-output ratio to reach 1:5.

Ruan Chongwu, vice minister of the State Science and Technology Commission, briefed the fourth plenary session of the third council of the China Association for Science and Technology on the implementation of the "Spark" plan on 6 March.

Ruan Chongwu said: The "Spark" plan is a technical development program that seeks to promote economic development in the rural areas with the help of science and technology. Since the plan's implementation in 1985, a total of 13,700 "Spark" programs have been arranged by both the central and local governments, with emphasis being placed on implementation in the local areas. It is estimated that upon their completion, output value will be increased by an additional 34.6 billion yuan and profits and taxes delivered to the state will be increased by an additional 8.4 billion yuan. More than 100 packages of technical equipment suitable for medium and small enterprises, as well as village and town enterprises, have been introduced into the rural areas through implementation of the "Spark" plan in the past 3 years. This equipment has been used to train 3.97 million management personnel and technicians in various fields for work in rural areas.

Ruan Chongwu stated: Implementation of the "Spark" plan not only has achieved marked economic results, but it has also led to beneficial exploration of ways to integrate science and technology with the rural economy, particularly with village and town enterprises in rural areas. So far, the plan has attracted some 460,000 scientists and technicians to dedicate themselves to promoting economic development in the rural areas. They contract, lease, and take charge of village and town enterprises for business operations; set up technical and economic entities; and offer technical consultation and services, thereby providing an exemplary role in promoting the development of village and town enterprises.

Military

Social Value of Military Training Viewed

HK1603024789 Beijing JIEFANGJUN BAO in Chinese
3 Mar 89 p 3

[Article by Bing Yan (0393 1484): "Demonstrate the Social Value of Military Training"]

[Text] What is the function of military training? "It is to train people," said a general in reply.

"Military training has not only military but also social value," said a comrade who participated in organizing military training for university students.

"Uniformed troop formations and drill grounds bustling with activity can help get rid of spiritual filth, such as dejection and apathy as well as laxity and sluggishness." This is the understanding of a comrade who participated in training for National Day dress parades.

When understanding the significance of military training, we have to raise questions such as this: Our broad ranks of officers and men come from society, and there is indeed a problem of reentering society and of second employment. People deeply feel that during times of

peace, the development of military men also faces "two-way needs." One is the needs of future wars and the other is the needs of society. However, the fundamental way to meet the "two-way needs" is to bring the Army's own strong points into play and to seek common points suitable for the "two-way needs," with the country's long-term development in mind.

The practice of reform has proved that when it comes to modernization, the most important thing is to modernize man. Our people not only lack scientific and cultural knowledge necessary for modernization, but also, more seriously, lack the qualities or makings necessary for modernization. The two are both interrelated and different. Generally speaking, knowledge is obtained by relying on study, and qualities or makings are the product of tempering oneself for a long time in particular conditions.

Scholars can cite many instances regarding the qualities of talented people needed by modernization, but the basic component factors are manifested in the following aspects, which are both opposite and complementary to each other: Harmony between a strong democratic awareness and a willingness to strictly follow science and observe work discipline; harmony between a strong pursuit of individuality or a creative spirit and the concept of viewing the situation as a whole or of working in coordination; harmony between a spirit of outward-looking development and a realistic style of being single-minded and maintaining good faith; and harmony between an active enterprising spirit and the ability to make flexible choices and between the need for a colorful life and the ability to control oneself.

In some Western developed capitalist countries, the social environment characterized by capitalist production using large machines, which has lasted for several hundred years, has exerted a favorable influence on, and forged the quality of man commensurate with production using large machines. At the earliest stage of this forging process, they paid a price in blood and suffered the pains of "losing hair." Man has created machines and the latter are remolding the former. Only after machines have completed the remolding of man can a new order of modern production using large machines be established. Similarly, only when an army manages to apply new thinking, methods, and establishments in using modern weapons and equipment can it deserve to be called a modern army. Conversely, the quality of a modern soldier takes shape as modern military machines operate.

Differing from Western capitalist countries, the forming by Japan of the modern quality of its citizens has been achieved mainly through the soldier's life, comprising a mechanized army and mechanized war, which is related to production using large machines, rather than through a long process of production using large machines. In the first half of this century, to launch a war of aggression, Japan, Germany, and Italy pursued fascism and militarism, eventually leading to a global catastrophe. However, the practice of the postwar economic development

has proved that while causing a global catastrophe, the reactionary militarism churned out a by-product—it remolded a generation of people and instilled many qualities into national spirit, which are necessary for invigorating the nation and achieving modernization. It is precisely because of this that when we ask how Japan rose from the agony of being defeated during World War II and how it took off from a heap of ruins, Japanese politicians and entrepreneurs, making no secret of their feelings, say: We achieved our successes by relying on the makings of a soldier. Up to now, Japan still attaches great importance to imbuing its citizens with the Bushido spirit, and views the makings of a soldier as a force backing the Japanese nation in marching into the world and contending for supremacy and working hard for the prosperity of the country.

If a country is to be powerful and a nation is to really stand up in the world, this spirit and drive are needed. It is not really terrible for a nation to be poor and backward, but once the fire of its spirit dies, the nation will become completely hopeless.

It can thus be seen that historically, the modernization of man needs to be gradually achieved along with the improvement of social civilization. However, a country which lags behind others in modernization can accelerate the attainment of this goal through actively conducting education and training with certain objectives in mind. We must recognize the great need for this social development.

When we say the function of military training is to train people, we have the great need for social development in mind. We have come to realize that the profound significance of military training lies in enabling, through strict training, the fostering of man's indomitable will, will power, sense of discipline, indomitable spirit, and sense of competition, and in raising man's ability to make strategic decisions and enhance the concept of soldiers working together in unity and viewing the situation as a whole, rather than just striving to enable every trainee to master combat skills under modern conditions. This is necessary not only for a modern war, but also for the development of production in a modern society. The makings of a soldier of a country are in fact the cohesion of the national spirit. In the last few years, seeing the "spirit of Lao Shan" displayed, many scholars in our country have appealed loudly for the reshaping of our national spirit. There is some reason in this appeal. At present, confrontation or contention between states is manifested in the race for overall national strength. The military training of any country has a completely new social significance and is not confined to a narrow military significance.

The soil of feudalism in our country has not been thoroughly cleaned up. The concept of small-scale production is still deeply rooted in the national consciousness. The task of training people is particularly important to the modernization of both the state and the

Army. The invigoration of the state depends on the invigoration of talents, the great development of the national spirit, and the fostering of the makings of a modern soldier.

The new knowledge in many fields needed by modern entrepreneurs, managers, and even ordinary laborers should be obtained through education in specialized schools, but many necessary qualities can be formed through a strict soldier's life.

If the Army is said to be a school, then, among other things, it must be a school for forging the national spirit.

If the Army's talent training must also give consideration to new social needs, then, first of all, the Army should train every person in military uniform to be a true soldier.

If we say that science and education are basic to the foundation of the state, then military affairs and physical culture are a force for reanimating the national spirit.

To change the appearance of soldiers and of the Army, and the impression they leave on the masses, the most important thing is that we should ensure a soldier acts as a soldier.

To raise the social status of our Army, the most important thing is that the Army should attend to its own affairs well.

The profound significance of reform implies the remolding of man. Without strict regular training, it will be difficult to get rid of deep-rooted habits, and the training of a generation of new people will be out of the question.

During the revolutionary war years, our Army grew in strength amid guerrilla warfare. Although it scored world-shaking achievements, it had relatively fewer opportunities to fight a mechanized war, and soldiers received inadequate regular training. Since the Chinese revolutionary war was in fact a peasant war, the small peasant mentality and bad guerrilla habits were deeply rooted. In the fifties, our Army conducted regular training, but it lasted for a short time only. The subsequent recurring political movements and the ever-increasing incursions of nonmilitary activities into the Army adversely affected the building of a regular army. If military personnel lack a strict soldier's life and systematic and standardized military training, it will be difficult to develop the makings of a modern soldier.

Military training must play its role in training people, meet the "two-way needs," and also reform itself. For example, in giving instructions on training, we should attach importance to such "training without drilling" as "willpower training" and "courage-stiffening training," rather than just concentrating on such "visible training" as "doing physical exercises" and mastering skills. Attention should be paid to strengthening the study of theories

concerning strategy and strategy training, and to conducting more psychological and specialized training. While giving prominence to the training in common subjects, we should pay attention to organizing group drills and troop reviews. During peacetime, a drill ground is the furnace for shaping a soldier's willingness to die for the country instead of surrendering himself and the national spirit to the enemy. The more busy the activity on the drill ground, the more the hope and vitality of our Army can be displayed.

Economic & Agricultural

Increase in Urban, Rural Savings Detailed

HK1603115189 Beijing RENMIN RIBAO in Chinese
11 Mar 89 p 1

[XINHUA report: "Bank Savings Deposits Increased by More Than 20 Billion Yuan in February"—XINHUA headline]

[Text] Beijing, 10 mar (XINHUA)—In February, a relatively good trend appeared in which urban and rural savings increased. According to information provided by the Industrial and Commercial Bank of China, the Agricultural Bank of China, the Bank of China, the People's Construction Bank of China and credit cooperatives, the amount of February savings of these four specialized banks and credit cooperatives increased by a total of 20.36 billion yuan, 5 billion yuan more than the same period last year.

Specific amounts of the increases in savings for individual banks are: The savings of the Industrial and Commercial Bank increased by 8.45 billion yuan; Agricultural Bank, 5.47 billion yuan; People's Construction Bank, 1.63 billion yuan; and Bank of China, 1.02 billion yuan. It is understood that this is the first time since the founding of the country, that urban and rural savings have increased by 20 billion yuan. Up to now the balance of urban and rural savings deposits exceeded 400 billion yuan.

According to analysis, the major reasons for the vast increase in February's savings are as follows: Since the beginning of this year the market has been relatively stable, the momentum of price hikes has been put under control and the psychology of the population has relaxed. Second, because consumption funds in January increased sharply, bank expenditures for individuals' wages increased by 61 percent over the same period last year. The population had more cash in their hands. Moreover, starting from 1 February banks have again adjusted interest rates for savings deposits upward.

One thing that deserves mentioning is that according to past tendencies, in general, February has been the month when savings increase most. Related personnel therefore cautioned that we should not thereby relax our vigilance on the savings situation, particularly since the ratio of the increase in city and town savings in the preceding 2 months to the cash expenditure for wages is lower than

that several years ago. Moreover, there has not been any fundamental change for the better in rural savings. They consider that the present enduring capacity of the minds of the population is still rather fragile. The momentum of the increase in savings must be maintained, and the key to this is an effective state policy capable of stabilizing prices and resolutely checking the indiscreet raising of prices in various localities.

Development of Iron, Steel Industry Viewed
HK1703050789 Beijing RENMIN RIBAO in Chinese
12 Mar 89 p 5

[Article by reporter Liu Xieyang (0491 3610 7122): "How Should the Iron and Steel Industry Be Developed?"]

[Text] In these few years, our country's iron and steel industry has shown tremendous development. It has, for 5 consecutive years, increased in output by 3 million tons, and the annual steel output amounted to 59.22 million tons. However, starting from the latter half of last year, steel output fell sharply due to the great demand of transportation facilities and the inadequate supply of coal and electricity. Many ferro-alloy enterprises can only utilize their capacity up to 50 percent or 60 percent.

Entering 1989, this situation has not been eased, and in some areas it has intensified instead. Coal storage has greatly decreased in many iron and steel enterprises. To some of them, the coal storage has even fallen below the critical point. This year, the state has to fix a maximum price for iron and steel products, and add some taxation items and increase tax on certain items. It is expected that the profit of the whole industry for the whole year will decrease by 4 billion to 5 billion yuan. Under such circumstances, many enterprises pour out endless grievances and feel that they can do nothing to increase the output. But is it true? If we look at the following figures and facts, we can find an outlet.

—Now, our country produces up to 47 million tons of steel products per annum, most of which are commonly used screw-thread steel, band steel, and spiral steel [pan gang 4149 692i]. At present, sheet materials and tubular products, which are badly needed by the national economy, are in short supply and have to be imported from other countries. According to statistics of relevant departments, 34.69 million tons of sheet and tubular steel products were imported in the 5 years from 1983 to 1987, representing 48.3 percent of the total amount of steel products imported in the same period, and 52.8 percent of the total domestic output of sheet and tubular products in the same period. Among these products, 14.71 million tons of slit deal were imported, representing 80.5 percent of the domestic output of slit deal. In recent years, the prices of sheet and tubular products rose rapidly. The price of petroleum tubes [4258 3111 4619] rose by 75 percent from \$479 to \$840 per ton; and flat cold-rolled sheet by 90 percent from \$290 to \$550.

Therefore, it is very much needed to increase the output of scarce items such as hot-rolled sheet, cold-rolled sheet, galvanized sheet, silicon sheet, cut deal and seamless tube.

—Though in recent years the qualities of China's iron and steel products have improved, the "double standard rate" is less than 30 percent. In other words, less than one-third of our steel products are produced according to the international standard and advanced standards in foreign countries. The difference between the quality of our steel products and that of Japan, Europe, and America is great. Chinese-made vehicle gears have poor performance and quality, and their service life is half of foreign vehicle gears. As to equipment necessary for construction projects, we can only produce those that are less powerful, and import the high-powered ones....

—The iron and steel industry is a high energy-consuming industry. It consumes about 60 million tons of coking coal every year. At present, the energy-consumption limits for certain iron and steel enterprises vary greatly. To smelt one ton of steel, good enterprises may need only 900 kg of standard coal, while the bad ones consume more than 1300 kg. Other technological and economic targets also have great variations.

Judging from the above facts, we can see that the iron and steel industry has to put more effort into regulating its product mix, improving product quality, reducing energy consumption, and tapping the latent power of the industry in the future.

To regulate the product mix, we have to pay special attention to developing short-term steel products [duan xian gang cai 4252 4848 6921 2624] such as sheet and tubular products. In particular, we have to raise the degree of self-sufficiency in the use of steel for departments of electricity supply, railway, petroleum, vehicle and light industry, and avoid using foreign exchange to import steel products. In order to meet the above needs, the original plans for transforming old factories and reconstruction projects using foreign investment have to be regulated where necessary. We have to attract investment in producing certain products, and concentrate the limited investment funds in sheet and tubular rolling mills that help produce the above mentioned much-needed items. Priority should be given to the transformation and extension of old factories that have solid foundation and can obtain good investment results, so that they may produce high-quality products according to professional requirements and the required volume of production. Even greater priority should be given to those projects that do not use the state's foreign exchange, and the enterprises can use their own products to raise foreign exchange to coordinate with local funds. In short, we can no longer hesitate in developing short-term products. We have to increase 1 million tons of

steel products, like cold-rolled sheets, hot-rolled sheets, and seamless tubes, more than 1988 by means of regulation. Items should be maintained or abandoned on their merits.

The key to improving product quality is to set a high standard and strict demand. For a long time, there has been only one standard, the passing rate, in our country for assessing the product quality of iron and steel enterprises. Such a passing rate cannot reflect the actual requirements of the users, nor can it represent the international standard. Some products reach a passing rate of 99 percent in the factory, but they may prove unusable when they are put to use in consumer units, and it may be more difficult for these products to be sold in the international market. Being assessed by such a quality standard, some enterprises are usually satisfied with product qualities that are "not too bad," and do not work for "good quality." In order to change this situation, the Ministry of Metallurgical Industry has determined that in the future, iron and steel enterprises have to gradually organize production according to the international standard, and has set a target that key enterprises will have amounted to over 40 percent by 1990.

Management is important in economizing energy consumption. Why is there such a great difference in energy-consumption targets among the same types of equipment and blast furnaces? Another strange phenomenon is that the energy-consumption targets of iron and steel enterprises are higher in areas with higher coal outputs. This fully proves that subjective factors are the major factors. So we have to close all loopholes and work hard on economizing energy consumption.

As to the iron and steel industry, the investment is large and consumption high, but its potential for economy is also high. For every 1 percent increase in the profit and tax rate on capital, there will be an increase of 700 million to 800 million yuan of profit and tax revenue; and for every 1 percent decrease in the use of circulating funds, there will be a total reduction of nearly 200 million yuan. An increase of 1 percent of possibly useful steel [cheng cai lu 2052 2624 3764], the annual steel output will increase by more than 500,000 tons. If energy consumption falls by 1 percent, over 800,000 tons of standard coal will be saved; and an expenditure of over 300 million yuan can be saved if the cost falls by 1 percent. There is still much room for increasing revenue and reducing expenditure of the iron and steel industry.

Wu Jinglian Cited on Macroeconomic Situation
HK1603141689 Beijing JINGJIXUE ZHOUBAO
in Chinese 5 Mar 89 p 1

["Wu Jinglian on the Macroeconomic Situation"]

[Text] Following the Spring Festival, there has been a change for the better in the work of withdrawing money, apparently indicating that economic rectification, improvement, retrenchment, and adjustment have

begun to attain results. There is a rising optimistic atmosphere in the economic circle. However, the executive director of the Economic, Technological and Social Development Research Center, Wu Jinglian, voiced a dissenting note at the 1 March "Seminar on Inflation Problems."

Wu Jinglian pointed out that there is nothing to be optimistic about in the present macroeconomic situation. The mission of tightening and improving inflation will still be an arduous task.

First, expansion of total demand, which exceeds far beyond total supply, is not yet under effective control. There have only been slight effects in tightening the scale of investment in fixed assets. Of the slashed projects, except a few of those nonproductive investments in fixed assets, an overwhelming number are "shadow projects," which were not listed in the plan in the first place. The expansion of consumption funds show no signs of abatement. National expenditures for wages in January exceeded 40 billion yuan, an increase of 61 percent over last August, the month when the retrenchment began. So far there has been no effective measure for this excessive expenditure.

Second, the economic structure has not been improved. On the contrary there are signs that it will worsen. The industrial growth rate in January dropped to 8.2 percent, 10 percentage points lower than the same period in 1988. There are two problems in the production structure. One, the growth rate of state-run enterprises was 3.7 percent, that of collective enterprises, 14 percent, and town and township enterprises, 25 percent. Two, a breakdown of product mixes shows that the increases in mechanical and electrical products, and high energy-consuming luxury products are higher than the increases in short-term products, such as coal and electricity, of which a considerable amount have seen either zero or negative growth.

Wu Jinglian analyzed that there are many causes for the above problems. But one of the most fundamental causes is the seriously unreasonable economic structure [jie gou 4814 2845] and economic institutions [ti zhi 7555 0455]. And of this the most important factors are: 1) Division of executive powers in the past reform period has increasingly taken the distribution of resources away from the markets, lowering the efficiency in regional resource distributions, further splitting the market, and softening the restraints of financial budgeting. Macroeconomic variables (finance, money, and foreign exchanges) that need to be centrally regulated and controlled by the central authorities are extremely scattered, rendering impotent the central authorities' macroregulation and control power. Such a state will make economic structural adjustment, that is reallocation of resources, more difficult. 2) Almost all the prices of economic resources and important commodities operate on the double-track system, which regulates some of the prices and deregulates others. This has created billions of price differences

(loan-containing difference and exchange difference) [han dai chai 0698 6313 1567, hui chai 0565 1567]. From an economic point of view, this is the so-called "rent," or "nonproductive profits." And this kind of difference is the root cause that has created serious expansion of consumption funds and unfair income distribution. More serious, the double-track price system has not brought the unreasonable price mechanism toward a rational state, nor has it played a positive role in the market system.

Wu Jinglian pointed out that the seriously irrational state in economic structure and institutions will create a situation where the tightening policy will result in "long-term projects crowding out short-term ones," "inefficient enterprises exerting pressures on banks, which in turn pressure efficient enterprises." The existing system can no longer guarantee the fulfillment of economic adjustment. Therefore, while we are resolutely conducting retrenchment of the gross amount, we must, when we see the time is ripe, conduct reforms oriented toward marketization.

Wu Jinglian emphasized that we must correctly understand the present improvement in money. The tightening in April, for all its results, does not prove that the retrenchment is correct. Even if it is, and the means to carry it out are reasonable, we will still not see effects for a while.

The "Seminar on Inflation Problems" held at the State Information Center was jointly initiated and organized by units such as the Information Science and Applied Research Center, the Economics Institute of the Chinese Academy of Social Sciences, the Coordinated Unit of the Economic Research Center under the State Planning Committee, RENMIN RIBAO, JINGJI RIBAO, and JINGJIXUE ZHOUBAO.

Arduous Efforts Needed To Stabilize Prices
HK1603100389 Beijing JINGJI RIBAO in Chinese
3 Mar 89 p 1

[Article by reporter Chen Qigan (7115 0796 3227):
"Arduous Efforts Are Needed to Stabilize Prices"]

[Text] Commodity prices, in a sense, are the "barometer" of the relations between demand and supply. Departments in charge of commercial affairs assume important responsibility for stabilizing prices and guaranteeing that prices this year are apparently lower than last year. A few days ago this reporter interviewed three directors from the Ministry of Commerce. They are of the opinion that it is very difficult to keep this year's inflation rate lower than last year's and arduous efforts are needed.

Director of the Ministry's Commercial Information Center Zhang Shuping says that there are four unstable factors affecting prices this year:

First, the general price index will be affected by last year's "price adjustment" to the degree of 8 percent. We will proceed with price reform at a small pace this year, but the price index will still be affected by price adjustment this year to the extent of a few percentage points according to experience in the last few years. So there will be a more than 10 percent increase in prices.

Second, last year saw severe inflation, and a considerable portion of the excessive banknotes issued last year will make their appearance this year. This "lagging response" will cause prices to spontaneously increase by a few percentage points.

Third, consumption funds will still grow rapidly this year, but the total supply of commodities is insufficient. Purchasing power will grow for two reasons: Bonuses in cash will be given out this year in many enterprises which have introduced the contract system since last year; and peasants will have more money as a result of increasing the purchasing prices of agricultural and sideline products such as grain, cotton, and so on. On the other hand, the shops have little stock owing to buying sprees last year; famous and quality commodities are falling short of demand because of the slowing of industrial production; and the product mix is irrational. Therefore the gap between supply and demand will not be smaller this year than previous years.

Fourth, the extent to which price adjustment is acceptable to the people is small, and the possibility that people will go on buying sprees whenever prices rise has not been removed. That the people expect too much of stable prices will also lead to unfavorable results.

Zhang Shuping also says that the drive to improve the economic environment and rectify the economic order provides favorable conditions for curbing price hikes. He believes the basic way to solve inflation is to withdraw currency from circulation by selling public apartments and the assets of small state enterprises and by furthering the shareholding system, that is, by deepening reform. We should keep the margin by which prices rise this year smaller than last year by clearing economic channels.

Director Wang Wenhua of the Ministry's Price Bureau says that if the leadership and the rank and file are of one mind, the margin by which prices increase will be smaller than last year.

He says the key to reducing this year's inflation is to strengthen management in a broad sense, reduce investment in capital construction, limit the increase in consumer funds, strictly follow the state plan for issuing currency, and increase effective supply. To stabilize prices in the market, we should succeed in accomplishing the following four tasks:

1. Prices for primary nonstaple foods, especially rationed goods including grain, oil, salt, and sugar should be kept stable.

2. Prices for industrial products must be treated on their merits while keeping them stable. First, it is necessary to improve management and control prices for raw and processed materials and ex-factory prices for finished goods. For prices of raw and processed materials under the two-tier system, the ceiling of those materials outside the plan should be set as soon as possible. Prices for those daily necessities such as matches, soap, detergent, toilet paper, exercise books, pencils, and so on are not allowed to increase in general and are subsidized by the state. Prices for aluminum pans, iron pans, thermos bottles, knitting wool, and enamelware, which are in great need, should be readjusted according to prices of raw and processed materials, production costs, and circulation expenses. Excessive prices should be lowered. The confusion in the prices of pure cotton cloth (including polyester-cotton cloth), undershirts, vests, interlocking jerseys and trousers, sweaters, sweat pants, and sheets should be straightened out. Intermediate sections for high-grade industrial products in short supply and durable goods should be reduced and prices set reasonably. Changes in prices should be subject to approval.

3. It is necessary to carry out the State Council's decision to put chemical fertilizer, pesticides, and plastic sheeting under exclusive state control, guarantee an adequate supply of farm materials and equipment for spring ploughing, and lighten the burden on the peasantry by reasonably setting comprehensive prices so that there will be a good harvest this year.

4. It is necessary to set up and improve all rules and regulations for prices, tighten discipline relating to prices, and regularly monitor market prices.

Director of the Commercial Management Bureau Peng Fukuan says it is necessary to establish unified management over social commercial businesses to stabilize prices. He says there is a lack of unified control over 20 million social commercial businesses (referring to state-owned, collectively owned, private, and individual businesses not under the state's commercial departments). In a rather long period, there has been no specific department to exercise unified control over them, nor has there been unified commercial laws and regulations. Their development and the layouts of outlets and networks are most unrealistic and spontaneous. The confusion in the intermediate links should be considered as one of the important reasons for last year's panic-buying spree and excessive price hikes. It is necessary to stabilize the market and market prices in a comprehensive way and placing social businesses under unified control and building good market order are important aspects of this task. It is necessary to adhere to the policy for invigorating circulation of commodities, but the entire nation in business is by no means allowed. We should not let such a tendency develop on itself lest it throw the market into chaos.

Which departments are to exercise unified control over social businesses? What should they take charge of and how? Peng Fukuan said, the Ministry of Commerce's

"three sets" (san ding 0003 1353) program approved by the State Council in October last year clearly points out that the Ministry of Commerce should change its task of taking care of departments into one task of taking care of trades. The "program" clearly stipulates: The commercial administrative departments at all levels should take charge of the affairs at their own levels only; from now on the networks, outlets, layouts, and scopes of operation of all commercial enterprises and all economic sectors are to be examined, approved, and registered by industrial and commercial administrative departments according to the law.

At present, we should first of all work hard to have a clear understanding of the main features of social businesses. Second, we should do a good job in exercising control over those vital commodities (such as chemical fertilizer, farm chemicals, plastic sheeting, and cotton) which have been placed under exclusive state control or under unified management of special departments according to the state's orders. Third, it is necessary to examine social businesses which are to come into operation and to issue certificates, which are then to be submitted to the industrial and commercial administrative departments for approval and registration. Fourth, it is necessary to set about establishing trade associations and exercise direct control step-by-step to promote standard management and standard services of all commercial trades.

'Roundup' on Theoretical Forum on Price Reform
OW1703014389 Beijing GUANGMING RIBAO
in Chinese 4 Mar 89 p 3

[Article by Hu Jia and Hu Chaoping: "A Profound Examination of Price Reform—Roundup of the Theoretical Forum"]

[Text] In order to sum up the experiences and lessons of price reform in the past 10 years, the China Price Society, the Theoretical Department of JINGJI RIBAO, the Theoretical Department of GUANGMING RIBAO, the Financial, Trade, and Economic Research Institute of the Chinese Academy of Social Sciences, and the State Administration of Commodity Prices jointly held a theoretical forum in Beijing to mark the 10th anniversary of price reform.

The participants all held that, in the past 10 years, our country has achieved initial progress in the reform of the price system and of the administrative structure in controlling prices. However, the task of price reform is far from being accomplished. Some old problems in pricing still have not been solved and a number of new problems have emerged. In particular, now we have seen the problem of an all-around increase in commodity prices and it has become a matter of prime importance in the people's economic life.

A number of comrades analyzed problems in price reform in the light of basic strategy for the reform of the entire economic structure.

Some comrades said: In the past, we always thought price reform was a reform in a certain period, and always wanted to concentrate our efforts to complete the task of price reform within a certain period, to create conditions for reform in other fields. This kind of understanding made us take hasty action in the course of reform. We should understand that price reform is a prolonged affair, and we must not expect it to be completed quickly.

Some comrades pointed out: The results of price reform in our country are not satisfactory. In the course of reform, an all-around increase in commodity prices has emerged. This is due to the hasty measures in the reform of the economic structure caused by rapid economic development. Therefore, in order to solve the problem of price increase and do a good job in price reform, we must restudy our economic development plan and the basic strategy for reform of the entire economic structure, and formulate a general strategy in the spirit of seeking truth from facts.

Some comrades held that we should not study price in a simple manner, because price in a narrow sense merely means the price of a certain product. In promoting the commodity economy, especially a modern commodity economy, we must also pay attention to labor costs and that of property ownership. Accordingly, we must understand the following four questions: 1) It is necessary to carry out reform of the labor system, including employment, wages, welfare, and insurance. It is also necessary to form a labor market and avoid the increase in consumer demand in excess of effective supply. 2) It is necessary to carry out reform of the property ownership system and effectively and reasonably use property and material resources. 3) Reform of the price system should not be limited to the adjustment of prices. The goal of price reform is to form a market price, though we must still have some control by the state. 4) In the course of price reform, we should link it with reform of the labor and property ownership systems. The three reform tasks must be closely coordinated and, in the main, carried out simultaneously.

Still some other comrades held that, in studying the question of coordination in the course of reform, we must attach importance to the following things: Firstly, price reform should be coordinated with development. We cannot carry out price reform under the condition of inflation. Secondly, price reform should be coordinated with that of enterprises. Thirdly, reform of the system of circulation should be coordinated with that of the distribution of profits. Finally, reforms in planning, finance, taxation, banking, labor, wage, and circulation systems should all be coordinated to support each other.

Unfair Distribution Caused by Income Equalization
HK1603120389 Beijing JINGJI CANKAO in Chinese
3 Mar 89 p 1

[Article by Yang Jisheng (2799 4949 4939): "The Equalization of Income Is the Main Cause of Unfair Distribution"]

[Text] Unfairness in social distribution is one of the topics that is most frequently discussed by people. When commenting on this problem, they generally focus their

attention on some people's high income to the neglect of the fact that most people's income is tending toward equalization.

Statistics obtained from the relevant sides indicate that income disparity between some people and the majority has widened over the last few years whereas income disparity between most people has narrowed. According to a survey by the State Statistics Bureau in 48 cities, the ratio of wage income between research trainees and researchers in scientific research units reduced from 1:3 in 1985 to 1:2 in the 1st half of last year; the ratio of wage income between practitioners and doctors in charge reduced from 1:3 to 1:2.2; the ratio of wage income between university assistant professors and professors reduced from 1:4.1 to 1:2.1; and the ratio of wage income between government office clerks and bureau chiefs reduced from 1:3.1 to 1:1.6. A survey in Xiamen City suggests that according to the new wage standards, the workers' maximum wages are three times higher than the minimum, but with all sorts of subsidies the wage difference stands at only 1.8 times.

Many people are quite sensitive about income differences but do not care about egalitarianism. As a matter of fact, equal distribution is a kind of unfairness. A lazy man earns as much as a model worker. Can we say this is fair? When everyone is equally paid, this means that those who have contributed much, earn less than their entitlement whereas those who have contributed little obtain more than their entitlement. A foreign economist once said that egalitarianism was a kind of exploitation. This remark is not groundless.

Equalization of income has brought about equal distribution. You can afford high-grade commodities, I can also afford them, and everyone can. The popularization of the "new four commodities"—color television sets, refrigerators, washing machines, and tape recorders—has been astonishingly fast. A sample survey shows that citizens in cities and towns earning high- and medium-scale wages can afford these "new four commodities," and there is no big difference between the numbers of the "new four commodities" possessed by high- and medium-scale wage earners and low wage earners. Equal distribution has broken the consumption tiers. Some people have set this example. In the past consumers lined up in a single file to shop in the market, now they walk in line abreast into the market for shopping. Equal distribution has caused a tremendously strong demand impetus and constitutes a direct factor in price increases.

Equal distribution harms the initiative of people who have made great contributions, restricts their creativity, strangles their enterprising spirit, fosters laziness and laxity, and causes a drop in work efficiency. This has been proved by practice over the last 40 years. Are you seeking fairness? Seemingly fair distribution equality has made fairness and efficiency disappear. A rational difference

in distribution can tap the potential that remains suppressed in society and will enable the national economy to develop swiftly and healthily.

Italian economist Gini set a standard for measuring income disparity. This standard is known as the Gini coefficient, which ranges from 0 to 1. When the coefficient is 1, this means that the income of the entire society is possessed by one person; when it is zero, everyone in society enjoys an equal income. When the coefficient is too low, egalitarianism is serious and economic efficiency is low; when the coefficient is too high, there is a wide gap between the rich and the poor and social problems will arise. The Gini coefficient in China is too low. From 1981 to 1985, the Gini coefficient in China's cities and towns was registered at 0.150, 0.148, 0.149, 0.168, and 0.175, none reaching the 1964 record of 0.184. In the seventies, the Gini coefficient in developed countries ranged from 0.315 to 0.372 and that in developing countries from 0.418 to 0.519. It is true that the Gini coefficient in our country is beyond compare with that in other countries, but it can be taken for reference. Economics suggests that when a country is making an economic take-off, the Gini coefficient is high, and this is beneficial to its economic development. The coefficient will drop when the country's economy develops in a certain period. Developed countries have experienced this process in their economic development. Our country should have developed in a period in which the Gini coefficient is high, but the situation has turned out the other way around. This is really disturbing.

Since the equalization of income is the main problem in the current distribution, why do people's remarks still focus on the wide income disparity between wage earners? This involves the problem of concept. If we are "worried more about unequal distribution than getting less income" and use this traditional concept to view the wide income disparity, we will feel quite indignant. The concept of fairness and the appraisal measurement should change with social development. In feudal society, even when a dim-witted prince succeeded to the throne, no one said it was unfair. But today, feudal privilege ideas and behavior have become the target of attack. Reform and opening to the world is pushing our society into a new period. If we use the old concept of fairness to appraise today's society, we will feel unfairness everywhere.

By saying that the equalization of income is the main cause of unfair distribution, I do not deny other facts of unfairness in distribution. For example, I do not deny the fact that some people are making a fortune by availing themselves of loopholes in the transformation of the old structure; it is a fact that irrational prices have caused a wide income disparity between enterprises, and a fact that unstandard markets have given rise to irrationally high earnings. As to abusing power for personal gain, extorting money, taking bribes, engaging in corruption, stealing, and making a fortune by foul means, these do not involve the distribution problem in the economic

field but are violations of criminal law and discipline. An irrationally high income is another extreme phenomenon in the equalization of income and will seriously dampen some people's initiative. Its mental impact has been intertwined with the traditional concept of egalitarianism, thus forming a mental obstacle in society and making it impossible for a rational income disparity to take place.

In conclusion, to solve the problem of unfairness in social distribution it is necessary to proceed from the following two aspects: Efforts should be made to overcome egalitarianism and to prevent some people from earning an irrationally high income. These are two aspects of one problem that are impacting upon each other. At present and for a long time to come, stress should be laid on the settlement of income equalization, and the fundamental way is to reform the personnel and labor systems.

Characteristics of Unequal Income Outlined
OW1703023689 Beijing GUANGMING RIBAO
in Chinese 4 Mar 89 p 3

[Article by Chen Ding (7115 1353): "On the Characteristics of China's System of Unequal Income"]

[Text] At present, the unequal distribution of income has aroused general concern in society. To reveal the inner root of the unequal distribution of income is a prerequisite and a basis for us to formulate a proper income-distribution policy.

Basic Judgment of the Current Income Distribution

In general, since the reform began in 1978, the distribution of income for urban residents in our country has undergone two stages: Equalization of income and widening of the income gap. At the first stage (1977-1984), the income gap was apparently narrowed among urban residents. According to statistics, the Gini [1015 1441] coefficient for families of staff members and workers in our country was 0.185 in 1977 and dropped to 0.168 in 1984. (The Gini coefficient is the basic index used internationally to denote income inequality. Zero means absolute equality; one means absolute inequality) This was inevitable at that time. The reason was that at the inception of reform, the government made a general adjustment of wages to compensate and subsidize staff members and workers. A bonus factor was included in the wage structure; however, under the premise of compensation and subsidy, the bonus could not serve the purpose of "rewarding the diligent and punishing the lazy," but was equally distributed to the staff members and workers. Under such circumstances, even the small differences in wages in the traditional eight-grade wage system were erased. During the second stage (after 1984), two remarkable changes in distribution appeared with the strengthening of the urban reform: One was that the income of staff members and workers apparently

changed from the one-source income to a multiple-source income. The other was an obvious change from the single government distribution mechanism to a distribution mechanism incorporating both enterprises and the government. Such being the case, those residents with opportunities to enter the market have become the first ones to earn the income that others could not. Income gap has also been widened because of the variance in economic environment and efficiency between different localities, trades, departments, and enterprises. For this reason, the gap of income among urban residents in our country has gradually widened after 1984. The Gini coefficient rose to 0.175 in 1985 and reached 0.236 in 1987, showing a remarkable rise above the prereform level.

The situation in the countryside differs from that in urban areas. The introduction of the contract responsibility system based on households has, from the very beginning, widened the residents' income gap. There, the Gini coefficient was 0.2124 in 1978 and reached 0.2577 in 1984. Since 1984, with the development of village and town enterprises and the increased number of peasants in developed areas doing more than one kind of work, there has been a further widening of the income gap among rural residents, and the Gini coefficient is as high as 0.293 in some localities. This fact indicates that peasants, as independent production managers, can freely choose the trades they want to rely on for livelihood, and so they have much less complaints about the income gap.

Income inequality is a common problem encountered by developing countries in the process of economic growth. According to statistics and analyses made by Kuznets, at the low-income stage with a per capita GNP of less than \$200, the distribution of income is relatively even. At the stage of economic take-off, that is, when the per capita GNP is between \$200 and \$1,200, the income gap is widened. However, it will narrow again when this stage is over and the economy reaches a highly developed state. In our country, the per capita GNP reached \$260 in 1979 and further increased to \$475 in 1986. This means that at the current stage income inequality is inevitable in our country. However, the income gap is not entirely in line with the developmental stage, compared with other countries.

Compared with the Soviet Union and other East European socialist nations at the economic development stage where the per capita income is somewhere between US\$200 and US\$1,200, China's income gap is much wider. In the Soviet Union, the income of the families with the highest income was 3.82 times as much as that of the families with the lowest income in 1956; in Poland the figure was 3.37 in 1966 and in Hungary 4.02 in 1967. The figure in China was 6.05 in 1986, which is higher than all the nations mentioned above. If we take the rural population into account, the income gap will be even wider.

Compared with other developing nations on the same income level, China's income inequality applies only to the families with the highest income and those with the lowest. The families in between have an income differential of no more than 223 percent, which is far less than the Philippines' 810 percent in 1967, Sri Lanka's 590 percent in 1963, or Japan's 461 percent in 1962. This is because China's market has never managed to set up unified standards for evaluating efficiency. Although reforms are narrowing the income gap in China, the income of most urban residents still come from quotas set by the state plan. This tendency for equalizing income is growing stronger in recent years.

The Truth of the Unequal Distribution of Income

The traditional distribution system is connected with the hierarchical structure of political power. The income differential is created by society's distribution of income and means of livelihood in accordance with the level and status of people. Under this system, people can only receive their income from the higher authorities based on the level they occupy and their "status." Whoever tries to increase his income cannot transcend his level, he can only try to raise his status on his level. In a society like this where the state controls the people's freedom of consumer goods selection, even if some marginal population (such as self-employed workers who have the lowest status) may transcend their level and acquire what is left in the market by the state plan, there will not be too great a difference among people as far as the pattern of consumption is concerned. Therefore, the income differential brought by the traditional system has not caused widespread discontent in society.

Since reforms began, the nation's income which used to be garnered exclusively by the central government has been gradually divided by localities, enterprises, and even the market. Therefore, when the government finishes collecting social income and distributing workers' wages, there is still much left in the market. Obviously this surplus cannot be distributed according to the traditional hierarchical rules; but neither can this part of income be distributed in accordance with market rules under the current situation where the relations of property rights in society remain unclear. It is because the market cannot judge the value of the contributions by each key element of the market. In this area, the distribution of income is irregular, following no rules. Only those who have access to the market or exercise a strong control over the market can share the social surplus. They are:

First, part of the social marginal population, professional technological personnel, literary and art workers, and other technological workers who have more opportunities to enter the market and share the surplus. Among them, the marginal population has a smaller chance of finding a footing in the market. However, since they receive less care from the government, once the market is open, they unhesitatingly give up their work and become

self-employed businessmen. The rest enters the market with greater prospects, for it is easier for them to find a second job or open their own business in the market.

Second, part of the "bureaucrats" who wield certain administrative or economic administration power or who are responsible for the distribution and sales of important means of production and scarce consumer goods. They enter the market with their special status, which gives them strong control over the market. In conducting exchange of commodities, they use their power to change fixed prices into negotiated prices; make something covered by state plans become something outside the plans; resell materials, quotas, and documents in an attempt to gain great profits.

The people mentioned above all have the opportunity to become high income receivers. However, for the majority of the people the chance comes to nil. They even hope that the state will take care of them to the end. They are unwilling to enter the market for fear that once they cut their ties with the political authorities, they can never go back to their old positions and thereby lose the guarantee for their means of livelihood. The price of changing professions is too high, especially for middle-aged or older people. Once they change their jobs, they will lose the housing, educational, medical, employment, and retirement benefits provided by the state. All the efforts they have put into their old work will be wasted. When a small part of the people suddenly become high income receivers, most of the people can do nothing but see their income drop in comparison. Therefore, this random income distribution has created greater pressure on people than the actual difference is. At the same time, it fully demonstrates that our current income inequality is actually an opportunity inequality.

Equality Versus Efficiency

Economic equality and efficiency cannot be achieved at the same time. One of the major tasks of economists is to seek a compromise between the two.

During the early period following the founding of the People's Republic, our country adopted an egalitarian distribution policy. On the one hand, this was aimed at eliminating the "differential grades of land rent" [ji cha di zu 4787 1567 0966 4436] for residents due to the varying degrees to which the means of production was used and to ensure the unification and fairness in implementing the principle of distribution according to work. On the other hand, the purpose was to achieve the effect of "economies of scale" in allocating resources, that is, to effectively use the resources to achieve high accumulation under the condition of low income, and to enable society to use the minimum means of consumption to satisfy the maximum consumption needs of residents. Nonetheless, the loss of efficiency due to this egalitarian policy soon outstripped its advantages. From 1952 to 1980, the capital growth rate [zi jin chan chu lu 6327 6855 3934 0427 3764] of our country stayed between

5.26 and 7.14, much higher than the 3.9 rate of equally developed countries. Here, equal distribution became a main obstacle to the improvement of efficiency. In view of this, since the very beginning of the reform, our country has taken it as a major method for raising efficiency to break with the practice of "eating from the big common pot."

We have hoped to raise efficiency by widening the income gap, and we have done so as a matter of fact. At the same time, however, the fact that in our country unfair opportunities foster unequal income has caused a considerable loss of efficiency.

First, staff members and workers show an increasing tendency to prolong their leisure and to waste their time. Since time cannot bring more income to those residents who have no opportunity to go to other places, they do not cherish their time very much, and their work efficiency is low. These residents often spend their work time without considering efficiency and even try to spare some time in the course of work and to prolong their leisure so that they can do more things for themselves instead of hiring expensive labor to do these things. This tendency has not only reduced the work and creative enthusiasm of staff members and workers, but also increased the surplus personnel in enterprises and institutions.

Second, expenses for business transactions have increased. Since the appropriation of resources is a matter connected with the functions and relations of the persons concerned, the positions of commodity producers also have value. In the exchange of commodities, those in a higher position can always get commodities at low prices. Producers in the lower position must pay noneconomic surcharges to "bureaucrat profiteers" at the higher position to receive the latter's priority treatment in approving their investment projects and in allocating funds and other means of production. A further propagation of this practice is that the prices of products vary with the position of buyers, and expenses for transactions keep increasing. No matter where this process stops, the inevitable result is more than one price for the same commodity. In this sense, the "double-track price" system is merely a specific product of this kind of economic relationship.

Third, resources cannot be properly allocated. Since the market cannot serve the purpose of distributing income and resources in accordance with the principle of efficiency, resources always tend to go to the sphere of commodity circulation. This is because in the sphere of commodity circulation, if you can control some materials or obtain the necessary official document because of your position, you will be able to have a high income. However, the problem is greater than this, when some funds are taken out of the sphere of commodity circulation, they are seldom used to buy other assets. Most of these funds are used as consumption funds. For 83.9

percent of the urban residents in our country, the primary goal of saving is to meet their short- and medium-term consumption needs. As for those private family businesses and peasants that have entered the market, their motive for making investment is weakening with the rise in their income.

China's system and cultural background have not created a conspicuous relationship of substitution between equality and efficiency. In China, equality in income ascertains the loss in efficiency, but inequality in income may not necessarily result in a higher efficiency. In view of this, our task is not only to seek a compromise between equality and efficiency, but also to rationalize their relationship of substitution. To do this, we must put the reform of the ownership system into high gear and establish an effective market system and an integrated income-redistribution system.

Large-Scale Land Management Viewed
OW1703044289 Beijing GUANGMING RIBAO
in Chinese 4 Mar 89 p 3

[Article by Zhang Zhongwei (1728 0112 1218): "A View on Large-Scale Land Management in Countryside"]

[Text] Large-scale land management in the countryside (hereafter called "large-scale management" for short) was first brought up in the suburban areas of some large cities and economically developed rural areas where the introduction of the contract system linking remuneration to output in many places had stimulated a rapid growth of agricultural productive forces. Large numbers of surplus labor separated from primary industry were gradually transferred to secondary and tertiary industries in rural areas. Since then, many peasants, who were driven by relative interests resulting from the price disparity between farm and manufactured products, abandoned agriculture and blindly surged to enterprises, plants (factories), and offices in cities. The exodus of a mammoth army of laborers on these two occasions changed the management of land in rural areas from intensive to extensive operations and from meticulous ploughing to wasteland development. Moreover, it was viewed in some circles that small and scattered plots of contracted land would not be conducive to raising labor and land productivity and the commodity rate of agricultural products. As a result, "large-scale management" has become a big issue.

In my view, arbitrary implementation of "large-scale management" when the country as a whole is not ready will inevitably lead to the following problems:

1. Implementation of "large-scale management" is incompatible with the development scale of rural towns because the implementation will surely prompt another exodus of laborers, larger in scale than that on the previous two occasions, and a new wave of rural laborers will march into factories, enterprises, offices, institutions, and village and township enterprises. In order to

keep up the labor productivity of factories and enterprises and labor efficiency of offices and institutions, it will be necessary to increase input appropriately. According to rough estimation, per worker fixed asset value averages about 10,000 yuan in state enterprises and between 3,000 to 4,000 yuan in rural enterprises. Based on this estimation, a new wave of some 100 million rural laborers entering cities will require 700 to 1,000 billion yuan investment in fixed assets. Neither the state nor village and township enterprises can afford this astronomical amount of money. Without appropriate investment in fixed assets, where should the mammoth army of laborers in cities go? Can they go to plants (factories)? Especially in view of the low labor productivity, extremely outdated equipment, and chronic shortage of funds in state, collective, and village and township enterprises, how can they accommodate and endure the strains of accepting the mammoth army of laborers?

2. Implementation of "large-scale management" is incompatible with the development level of rural productive forces. From the theoretical viewpoint of rationalization, "large-scale management" undoubtedly has quite a few merits. However, the big differences in natural, economic, social, and technical conditions on China's vast territory explain that productive forces in the majority or overwhelming majority of rural areas have not yet reached the development level required for "large-scale management." The level of agricultural science, technology, education, mechanization, and production is incompatible with the demands of "large-scale management." The "scale" defined by comrades advocating "large-scale management" is at least four times the scale under the contract system that links remuneration to output. The "scale," although much smaller than the land management scale of farm owners in countries with developed productive forces, is big for China's farm households with underdeveloped productive forces. In other words, farm households will have to take a big risk in managing land which is more than four times larger than their present plot, and thus will be pressed for the needs of better supporting material and spiritual conditions, such as prompt and complete supply of agricultural production means and well planned service from various circulation links. Otherwise, they will suffer deficit in lighter cases, or go bankrupt in serious cases.

3. Implementation of "large-scale management" can impose heavy mental strains on the peasants. The contract system that links remuneration to output has greatly expanded China's productive forces primarily because it gives the 800 million peasants decisionmaking powers in production. They regard the land as their lifeblood and try their utmost to take good care of the land. Sometimes they damaged the land, not out of their own will but because they were forced to do so, just as they had to manage land under the extensive operations for wasteland development. In implementing "large-scale management," peasants must be convinced that it will conform with their interests, otherwise they will not

give up their land easily. On the contrary, they might misunderstand that movements to "organize cooperatives," "organize people into communes," and "stir up communist wind" were back, and they might be forced to do things they do not want to do.

Then, how should Chinese agriculture be developed? I personally believe that we should concentrate efforts on productive forces instead of production relations. In developing agricultural productive forces, we should increase the input in the spiritual aspect, not the material aspect alone. The input in spiritual aspect should include the following elements: 1) Rural education focused on rural vocational education; 2) a scientific planning system with rural development plan as the backbone and integrating agricultural zoning—agricultural program—agricultural plan—agricultural contract; 3) efforts to promote agriculture with spreading agricultural technology as the central task; and 4) a farm produce pricing system with gradual relaxation of grain prices as the first step, and a legal system centering around agricultural economic law. By negating a highly centralized mandatory planning system on the one hand and differentiating fundamentally from anarchical market regulation and economy on the other, the integration of agricultural zoning—agricultural program—agricultural plan—agricultural contract is a powerful weapon for practicing planned commodity economy in rural areas. The experience of some counties and cities shows that this integration has been successful in not only integrating state macrocontrol with microflexibility but also incorporating the activities of 180 million farm households into a unified state plan. It can not only facilitate the zoning and specialized, commercialized, and socialized production of agriculture but also enable the peasants to live and work in peace and contentment without the fear of trouble.

Market Competition Mechanism Viewed
HK1503125989 Beijing RENMIN RIBAO in Chinese
10 Mar 89 p 6

[Article by Guo Shuqing (6753 2885 3237): "Establish the Market Competition Mechanism"]

[Text] Imperfect market competition mechanism is the common cause of major problems in China's economic life today. Judging from the angle of economic structure, the factors obstructing the establishment and improvement of market competition mechanism are as follows: First, failure to straighten out the economic relationship between the central and local authorities has resulted in the local government actively or passively assuming many economic coordination tasks, thus leading to problems of regional blockade, segregation, duplicate construction, and unplanned import. As long as the local government power to handle official and financial affairs is not defined and standardized, enterprises will meet numerous difficulties in equal competition on the national market. Second, in the relationship between the enterprises and the employees

(including managerial personnel), no fundamental breakthrough has been made in several crucial aspects. Therefore, it is difficult for enterprises to genuinely institute the system of distributing remuneration according to actual labor contributions. It is often difficult to punish those workers and staff members who go slow, loaf on the job, and even disrupt production order and it is even more difficult to dismiss surplus laborers. Viewed from the economic parameter system for directly regulating the principal conduct and standards of production and operations, the traditional mechanisms obstructing and stifling equal competition are still playing their role on a considerable scale.

According to the price theory, it is most suitable for the market to determine the prices of competitive products. So far, however, the prices of about half of the products are still fixed. For some products, direct price controls have been lifted in some localities but are still preserved in some others. For some other products, there exist two prices, one determined according to state planning and another freely determined by the market. Even for products listed in the state planning, different enterprises may work out different levels of practical prices. It goes without saying that the prices of commodities monopolized by state enterprises should not be fixed at will by producers. However, because the government has not established a supervisory system based on the market relationship, there are also "double-track system" or "multiple-track system" in the prices of these commodities.

The existing taxation structure has also seriously obstructed equal competition in the following aspects: First, because of irrational interference by the local government, the circulation tax rate for the same kind of products is different in different localities. Second, the income tax rates for state enterprises, collective enterprises, the three kinds of enterprises that are partially or wholly foreign-owned, and private enterprises are different. Third, the actual tax burdens of the same trade or enterprise in the same locality are different. Fourth, the inherent defects of the product tax and business tax have led to various errors. Fifth, the amount and scope of the resource tax are far from reaching the level at which the state receives all land rent and the enterprises are in the same operational environment.

To a large extent, the fund price or the cost of funds used by enterprises is still not in keeping with the requirements of such decisive factors as time limit and risk. This is because: 1) The rigid interest rate policy has led to the long-standing practice of minus interest rates; 2) all banks simultaneously pursue vastly divergent policy objectives and commercial objectives; 3) government departments interfere in banking operations at will; and 4) enterprises in the same industry have vastly different external conditions in getting funds and foreign exchange.

These conditions show that establishing and perfecting the market competition mechanism is crucial to the selection of reform strategic objectives in the near term and medium term.

The sequence for developing the market competition mechanism in our country should be as follows: It is first necessary to establish the competition mechanism of the commodity market and then establish the competition mechanism of the essential market. To this end, while pushing forward reform measures, it is also necessary to implement corresponding policies and measures so that they can coordinate and converge as a whole.

First, taking the establishment of a comprehensive commodity market as the key link, we should conduct coordinated reforms in price, taxation, finance, planning, materials, foreign trade, and foreign exchange so that enterprises can have complete decisionmaking power in production and circulation.

Second, we should take the social security reform as a principal first step, gradually expand the reform of the labor, wages, and welfare system, and open the urban labor market in a limited way so that enterprises can have basic decisionmaking power in using labor and making internal distribution.

Third, we should start from the separation of the policy-related financial system from the operational financial system in carrying out banking and financial reforms. While reforming the operational mechanism of indirect finance, we should gradually relax controls over direct finance in a planned and systematic way.

Fourth, we should gradually make clear the reform of the enterprise equity right and the land use right, institute the joint-stock system in large- and medium-size state enterprises step by step, and auction or lease small state-owned enterprises. Enterprises which have been operated at a loss for a long time and which cannot compensate for their debts with their assets should go bankrupt or have their essential factors reorganized.

Straightening out prices is a knotty problem in reform. The success of the price reform depends on whether or not other reforms can create mechanisms which can regulate structure and curb inflation. However, we cannot attain the aim by the reform measures alone for it is very important to have transitional policy measures which, in our view, should at least have the following aspects in the early period of reform: 1) We should have a financial credit policy in keeping with the requirement of market prices; 2) we should have an investment policy which can expand the capacity of the bottle-neck industries to supply products in short supply; 3) we should examine and straighten out the investment projects, exercise management through the issuance of licenses and, toward enterprises which seriously waste resources, adopt a structural readjustment policy of converting to the manufacture of other products, amalgamating with other enterprises, suspending production, or shutting them down; 4) we should have a monetary policy to keep the volume of money supply under strict control; and 5) we should have an income policy which controls wage increases by administrative and taxation means.

Official Cited on Reregistration of Companies
OW1603133089 Beijing XINHUA in English
1050 GMT 16 Mar 89

[Text] Beijing, March 16 (XINHUA)—China's ongoing re-registration of companies won't affect private enterprises, China-based foreign enterprises and enterprises jointly invested in or cooperated by China and foreign countries, Overseas Chinese or patriots from Hong Kong, Macao or Taiwan, said a senior official here today.

Tian Shuqian, deputy director of the State Administration for Industry and Commerce, made the remarks at an interview with XINHUA.

China started to re-examine and register companies earlier this year after the publication of the regulations concerning the annual examination and re-registration of companies. Some foreign businessmen are afraid that their Chinese partners might be abolished or merged and that their interests might be affected.

Tian admitted that it is true that some Chinese companies which are partners of joint ventures might be abolished or merged. But, he pointed out, proper coordination will be made before such steps are taken.

He said foreign enterprises involved can also look for new Chinese partners in accordance with the original contract and sign an agreement for the transferring before they apply for approval by higher authorities.

Tian pointed out that registered foreign-invested enterprises, so long as they abide by Chinese laws, regulations or the contract, will be protected by the state law; and those which violate the law, no matter which side, will be handled according to the law or regulations set by the Chinese Government.

He said the present campaign is a concrete step in rectifying the economic order as there emerged a large number of new companies in the past few years and some of them have disturbed the normal economic order by engaging in illegal activities.

The campaign, which is aimed at ensuring a steady and healthy development for China's national economy, is not contradictory to China's policy of opening to the outside world Tian said, stressing that China will continue to solicit foreign capital and encourage the development of foreign-funded enterprises.

He also mentioned that foreign businessmen who wish to invest in China can directly contact the Ministry of Foreign Economic Relations and Trade or related local departments for help.

Total Grain Growing Area To Increase
OW1703094589 Beijing XINHUA in English
0734 GMT 17 Mar 89

[Text] Beijing, March 17 (XINHUA)—China's total grain growing area this year will increase by about 1.33 million hectares (ha), according to the State Statistics Bureau.

The figure was obtained by agricultural investigation teams which surveyed more than 90,000 peasant families in 834 counties in 30 provinces, autonomous regions and cities.

Investigators say this is a result of the favorable policies adopted by the Chinese Government, which is encouraging Chinese farmers to grow more grain. These policies

include further raising grain purchase prices, increasing agricultural inputs and improving the supply of agricultural production materials.

The investigations also showed that major rice producing provinces such as Hunan, Guangdong, Sichuan and Guizhou all expanded their winter crops growing area by more than 66,000 ha each, thus increasing the total paddy rice growing area by 333,000 ha.

But the investigators called for even more measures to be taken to ensure this year's grain harvest as the total growing area of high-yield wheat this year is about the same as last year, and major wheat provinces have planted less wheat this year.

East Region

Anhui: People's Congress To Reconvene 20 Apr
*OW1603121689 Hefei Anhui Provincial Service
in Mandarin 1100 GMT 8 Mar 89*

[Text] This is the decision of the Standing Committee of the Seventh Anhui Provincial People's Congress on convening the Second Session of the Seventh Anhui Provincial People's Congress adopted at the ninth meeting of the Standing Committee of the Provincial People's Congress on 7 March 1989:

At the ninth meeting of the Standing Committee of the Seventh Anhui Provincial People's Congress it was decided that the Second Session of the Seventh Anhui Provincial People's Congress will be held in Hefei City on 20 April 1989. The Standing Committee suggested that the main agenda will include hearing and examining a report on the work of the provincial people's government, examining and approving the 1989 national economic and social development plan for Anhui Province, examining the implementation of the 1988 provincial budget and approving the 1989 provincial budget, and hearing and examining reports on the work of the standing committee of the provincial People's Congress, on the work of the provincial People's Higher Court and on the work of the provincial People's Procuratorate.

Anhui: Lu Rongjing's Activities Detailed

Urges Clean Government

*OW1703012889 Hefei Anhui Provincial Service
in Mandarin 1100 GMT 8 Mar 89*

[By reporter Hua Yan]

[Text] The provincial party committee held a forum at its small auditorium on the afternoon of 7 March to promote honesty and clean administration among departments under the provincial authorities. The forum was attended by some 220 officials of party groups and party committees of all departments, commissions, and bureaus under the provincial authorities, as well as responsible comrades of the provincial party committee, the provincial Advisory Commission, the provincial People's Congress, the provincial government, the provincial CPPCC Committee, and the provincial Discipline Inspection Commission. Fu Xishou, deputy secretary of the provincial party committee, chaired the forum. Lu Rongjing relayed the guidelines of the speeches made by central leading comrades at the central seminar on party and government construction. Responsible comrades of the provincial Discipline Inspection Commission, the provincial Supervision Department, and the provincial Economic Commission gave reports on efforts to promote honesty and clean administration in their respective units.

Meng Fulin, deputy secretary of the provincial party committee, spoke. He said: In recent years, especially since the 3d Plenary Session of the 13th CPC Central Committee, the provincial party committee and the provincial government have paid keen attention to and scored marked results in promoting honesty and clean administrations among departments under the provincial authorities in conjunction with the drive to improve the economic environment and rectify the economic order. However, work in this area has not been carried out evenly. Therefore, departments under the provincial authorities should further exert themselves in promoting honesty and clean administration and be the role model for the whole province. Judging from the situation in the departments, it is necessary to make efforts in the following aspects:

First, it is necessary to achieve unity in thinking and enhance confidence.

Second, leaders at all levels should set good examples for lower levels, which should hold themselves responsible to upper levels.

Third, it is necessary to pay special attention to key issues, and the departments should focus attention on improving their mental state and observing law and discipline.

Fourth, it is necessary to establish and improve systems and intensify supervision.

Fifth, it is necessary to attend to the development of socialist commodity economy, on the one hand, while promoting socialist ethics on the other.

Sixth, it is necessary to step up inspection.

In conclusion, Meng Fulin said: As far as promoting honesty and clean administration is concerned, the provincial party committee deems it necessary to make Hefei City and the departments under the provincial authorities pace setters for the whole province.

Addresses Agricultural Meeting

*OW1703014889 Hefei Anhui Provincial Service
in Mandarin 1100 GMT 9 Mar 89*

[By reporters Zhu Liping and Jin Minsheng]

[Text] A provincial meeting on integrating agricultural production, science and technology, and education was held in Tunxi on 5 March. The purpose and tasks of the conference were to sum up and publicize the experience of Xikou District, Xiuning County in integrating agricultural production, science and technology, and education, achieve unity in the understanding of leaders at all levels, and strive to popularize the district's experience in the whole province, thereby promoting a comprehensive reform of rural education and ensuring a healthy trend in Anhui's educational undertaking.

During the meeting, a representative from Xikou District briefed the participants about its method and experience in integrating agricultural production, science and technology, and education.

Lu Rongjing, secretary of the provincial party committee and governor, spoke at the meeting. Fully affirming Xikou District's method, the governor called on various localities in Anhui to go all out to popularize its experience.

Lu Rongjing said: The second phase rural reform depends on the work in the following three areas: the policy, science and technology, and increased investment. In carrying out the work, it is necessary to enhance the level of science and technology [words indistinct] and improve the quality of rural labor force. To this end, we should gear rural education to the needs of a rural economy, the needs of peasants to end poverty, and the needs of expanding rural productive forces. Digressing from these needs can make our work impractical.

The governor said: Integration of agriculture, science and technology, and education is an important aspect in developing the rural economy in all fields. The provincial party committee and the provincial government are determined to give (top priority) to this reform measure. It is hoped that party committees and governments at all levels will strengthen leadership, achieve unity in understanding, set a clear goal, promote the work of all units by drawing upon experience gained at key points, and make earnest efforts to gradually popularize the district's experience to integrate agricultural production, science and technology, and education at the grass roots level.

The provincial meeting in Tunxi was convened in conjunction with a meeting on Huangshan City's comprehensive reform in rural education. The meeting was attended by leaders from the provincial party committee, the provincial Advisory Commission, the provincial People's Congress, the provincial government, the State Education Commission, and relevant departments under the provincial authorities, as well as officials in charge of relevant departments in 16 prefectures and cities and 10 counties in Anhui. The meeting on Huangshan City's rural education reform was attended by (officials at the township and town levels).

Attends Mountain Region Meeting

*OW1603061589 Hefei Anhui Provincial Service
in Mandarin 1100 GMT 6 Mar 89*

[From "News" program: Provincial Party Secretary's Self-Reproach and Self-Encouragement Inspire Deputies to the Meeting]

[Text] The Anhui Provincial Mountain Region Work Meeting ended on 4 March. To the more than 140 deputies at the meeting, provincial party Secretary and provincial Governor Lu Rongjing stated: I shall take the lead in planting trees and greening the land. Units at all levels are responsible for afforestation, and each level

should set an example for other levels. We must make real efforts and do solid work to encourage all party members and in society as a whole. If Anhui should remain the same in appearance in 3 to 5 years, I would take the blame and resign.

Comrade Lu Rongjing said: Over the past 2 years, we have achieved quite a few results in afforestation, but compared with Guangdong, we still have a long way to go. Over the past 2 years, Guangdong has afforested over 10 million mu of barren hills each year, while we have only afforested 3 million mu each year. Today, we still have 5 million mu of barren hills remaining to be afforested.

In this connection, Lu Rongjing noted that Guangdong provincial party Secretary Lin Ruo said he would die with an everlasting regret if Guangdong were not greened. Lu Rongjing said he was quite touched to hear this and added compared to him, I have not attained such a lofty realm of thought. I have not paid adequate attention to forestry, and my work is mediocre.

Lu Rongjing emphatically noted: In afforesting Anhui, all cadres must eliminate the idea of waiting for, relying on, and applying for aid. Today, cadres expect aid from the higher level under the pretext that they are safeguarding the masses' interests. Actually they are damaging the masses' interests. If they do not change their mental outlook, Anhui's appearance will not change.

Lu Rongjing, his eyes filled with tears, excitedly said to the prefectural and county leaders attending the mountain region work meeting: Our Anhui has very good conditions. If we fail to lead the people in changing its appearance in 3 to 5 years, what sense is there in being an official? How are we going to justify ourselves before the people, the party, and our history? We should also die with a grievance if we fail to green Anhui. Lu Rongjing's sincere and inspiring remarks truly touched everyone's heart.

Anhui Leaders Attend Women's Day Meeting

*OW1603063589 Hefei Anhui Provincial Service
in Mandarin 1100 GMT 8 Mar 89*

[Text] Some 400 women held a Women's Day gathering in the auditorium of the provincial CPPCC Committee building in Hefei on the afternoon of 7 March. Responsible comrades of the Anhui Provincial Party Committee, the provincial government and the provincial CPPCC Committee attended the meeting by invitation. They included Yang Yongliang, Liu Guangcai, Ying Yiquan, and Xu Leyi. Foreign experts and professors working or teaching in Hefei were also invited to the meeting.

Ebullient speeches were delivered during the meeting by Ying Yiquan, vice chairman of the Anhui provincial People's Congress Standing Committee; Zhang Xiaolan, chairman of the provincial Women's Federation; Jiao Huiren, vice chairman of the Anhui provincial committee of the Jiu San Society; Xu Jinghui, vice chairman of

the Anhui provincial committee of the China Association for Promoting Democracy; Dr (Sandra Harchson), a Canadian friend teaching at Anhui University; and Miss Sun Yunhui, a representative in China of the International Training Fund of Canada. They exchanged festival greetings, encouraged each other, and called for displaying the spirit of fighting in unity of the March 8 International Women's Day and for marching forward hand in hand to seek a further liberation of women.

Literary and art workers presented brilliant performance during the gathering, which was cosponsored by the Anhui provincial CPPCC Committee, the provincial Women's Federation, and the democratic parties.

Fujian: Guangyi Speaks at Party-Building Meeting
OW1603063289 Fuzhou Fujian Provincial Service
in Mandarin 1100 GMT 7 Mar 89

[Text] A party-building meeting sponsored by the provincial party committee was held on the afternoon of 7 March. Comrade Chen Guangyi made an important speech, and Comrade Wang Zhaoguo presided over the meeting.

Comrade Chen Guangyi's speech dealt with four aspects: Strengthening party-building, understanding party-building in light of current changes, creating a climate for party members to understand party-building, and improving and strengthening party leadership.

Comrade Chen Guangyi said: Generally speaking, our party's current trend is good. Our party organizations have the fighting power. The absolute majority of party members have played an exemplary vanguard role in making reforms, opening to the outside world, and in the four modernizations, and have been subjected to the test of reform and opening to the outside world. The vast number of party members and people in all walks of life have opened their minds, made daily progress, united and worked hard, and have painstakingly done pioneering work. A large number of people with advanced ideas have emerged. However, we must also understand that compared with the situation and task facing us, the current condition of the ranks of our party still has a long way to go. Some party members are wavering in their faith of socialism and communism. They have a poor sense of duty. They have become corrupted by money. They have replaced ideals with corruption and goals with money. Some grass-roots party organizations fail to play a fighting role. In addition, some ugly and corrupt occurrences in society have contaminated the body of the party and severely damaged the party's image and the prestige of the policy on reform and opening to the outside.

Comrade Chen Guangyi said: The task facing us now is very difficult and heavy. The work of a party committee includes a multitude of things, but the bottom line is to grasp reform, opening to the outside world and economic

development on the one hand and the ideological, political, and theoretical work on the other. In the ideological and political sphere, the crucial point is to firmly grasp party-building. Currently, it is necessary to grasp education among party members, grass-roots party organization building and publicity of anticorruption.

Jiangsu: Han Peixin's Activities Noted

Attends Rural Work Conference

OW1603013789 Nanjing XINHUA RIBAO in Chinese
22 Feb 89 p 1

[Text] "Achieve unity in thinking; strengthen leadership; adhere to the principle of 'relying on policy, science, and input'; bring our political superiority into full play; focus on efforts to 'increase grain output and safeguard cotton production'; and work hard to achieve a bumper agricultural harvest in the next 2 years." The provincial party committee and government issued this call to all subordinate party committees and governments in the province at a conference on rural work held from 19 to 21 February.

Attending this conference were people from various city party committees and governments responsible for rural work, county (city) party secretaries and responsible persons from county (city) governments in charge of rural work, and representatives from the relevant provincial and city departments. Leading comrades of the provincial party committee and government, including Han Peixin, Gu Xiulian, Sun Han, Chen Huanyou, Sun Jiazheng, Cao Hongming, and Ling Qihong, also attended the conference. On behalf of the provincial party committee and government, Comrade Sun Han gave an outline of the overall arrangement for this year's rural work. Comrade Ling Qihong provides a summary of the conference proceedings.

Those attending the conference first analyzed Jiangsu's rural economic situation and further clarified the ideology guiding it. They pointed out: Over the last 10 years, Jiangsu has deepened its rural reform step by step through popularizing the system of contracted responsibility for production with remuneration linked to output. As a result, our rural economy is quickly being transformed from a completely or partly self-supporting economy to a commodity economy. Having overcome the problem of not having enough food and clothing, peasants are beginning to lead a fairly comfortable life. Thus, the situation in general is good. In recent years, however, during the transition from the old system to the new one, all kinds of contradictions have become sharper. Supply and demand of major agricultural products have once more become strained. In addition, there are clear signs that agricultural growth may be sustained for a long period of time. Therefore, while fully recognizing the unprecedented development of the rural economic situation, and giving full credit to the rural cadres at different levels and to the vast numbers of peasants for their major contributions, we must be soberly aware of

the basic trend in the supply and demand of our major agricultural products, attach great importance to agriculture as the foundation of our economy, and make vigorous efforts to develop it. We must consciously make efforts to "increase grain output and safeguard cotton production," and regard this as the primary task of our rural economic work. We must establish in a comprehensive way the guideline of relying on policy, science, and input and correctly handle the relationship between our efforts to implement this guideline and our efforts to improve the economic environment and rectify the economic order.

Those attending the conference particularly stressed the need to "increase grain output and safeguard cotton production" by every means available and to work hard to achieve a bumper agricultural harvest this year. The target for this year's grain production is to increase grain output by 800 million jin, that is, 1 billion jin, in order to maintain the level of "1,000 jin of grain per capita." The target for this year's cotton production is to plant at least 9 million mu and produce at least 10 million dan. At the same time, we must make earnest efforts to implement nonstaple food production, to stabilize pig production, and to increase the production of vegetable, aquatic products, and poultry appropriately. We must achieve these targets if we are to meet the demands of our provincial economy and ensure the people's livelihood. In light of our past production level, we believe that all these targets are obtainable. The conference participants noted: To achieve the goal of "increasing grain output and safeguarding cotton production," we must make sure that the areas sown with grain and cotton are adequate. The relevant cities and counties must check the area sown with cotton and ensure that it is adequate. They must regard this as a task of primary importance and act accordingly. In those localities where the area sown with cotton is less than what is required, we must actively carry out ideological work among the peasants involved in cultivating cotton, vigorously implement the policy of support, promptly take remedial measures, and appropriately use all available land suitable for growing cotton. While ensuring that we have enough area sown with cotton, we must also make sure that the area allotted to autumn grain meets the target. In general, we must utilize all available cultivated land suitable for growing grain. We must not allow grain fields to lie idle. We must rely on scientific progress, step up the popularization of agricultural technology, make a big effort to discover how to increase per unit area yield, and work hard to ensure that this year's per unit area yield is higher than that of last year. We must seriously implement the economic policy governing grain and cotton production to maintain and further mobilize the peasants' production initiatives. The State Council has already made the necessary adjustment in its policy concerning the price of grain and cotton and their procurement and marketing. Departments at all levels must seriously and firmly implement it. At the same time, all cities and counties must continue to take the necessary measures within their ability to support grain

and cotton production. To achieve the goal of "increasing grain output and safeguarding cotton production," we also need to make adequate arrangements for the production and supply of goods and materials used in agriculture. We must raise funds through different sources and increase material and financial input in agriculture.

The conference participants pointed out: We must continue to foster a dynamic, pioneering spirit and steadily push forward to strengthen rural reform. We must work hard to consolidate and develop the fruits of reform, particularly the appearance in recent years of agricultural operations on a large but appropriate scale, service companies, double track agricultural management, organizations aimed at facilitating the flow of peasants, specialized markets, wholesale markets, the financing of undertakings within the collective, rural financing service companies, cooperative retirement insurance for peasants, cooperation among various specialized trades, lateral cooperation, and the integration of production, supply, and marketing. We must make painstaking efforts to protect what we have achieved and work hard to make new advances. The focus of rural reform this year is to further stabilize and perfect the system of contracted responsibility for production with remuneration linked to output. The two-layer management structure based on this system is the most important achievement of rural reform in the last 10 years. This structure will continue to have strong vitality for a long time. Therefore, we must stabilize and improve it step-by-step. We must actively promote agricultural operations on a large but appropriate scale. We must introduce the mechanism of competition into contracted diversified and innovative undertakings. We must pay attention to the scale of such operations in an effort to raise their economic efficiency. Where conditions permit, we can appropriately increase the scale of crop cultivation after we have conducted experiments at selected points. We must further improve and develop the rural cooperative economy. Villages are an administrative unit having the most direct and closest link with agriculture. We must continue to develop the cooperative economy at the village level, focusing on village cooperatives in particular. Cooperation between specialized trades in different forms are necessary to the development of the rural commodity economy. We must continue to actively support such cooperation in all localities. In addition, we must establish and perfect the system of the cooperative agriculture development fund. We must regard this as a major task vital to the deepening of rural reform, the improvement of the mechanism for accumulation, and the steady development of agriculture. We must conduct experiments at selected points: on the use of rural public welfare funds by towns and townships to control and reduce the peasants' burden.

The conference participants stressed: We must strengthen party leadership, bring into full play our political superiority, and work hard to ensure the successful fulfillment of the task of "increasing grain output

and safeguarding cotton production." We should uphold, in all localities, the policy of attending to economic work and ideological political work at the same time. We should try to "increase grain output and safeguard cotton production" while building spiritual civilization. We should organically integrate the two tasks and make them promote one another. We must pay particular attention to party building and bring the party's political superiority into full play. By strengthening the leadership and relying on the masses, we should try to bring unity of thinking to the vast numbers of party members and cadres and the masses in the rural area. In this way we will ensure that they will truly follow the central policy decisions and the provincial party committee's plan, pay attention to stabilizing and strengthening agriculture, and firmly carry out the task of "increasing grain output and safeguarding cotton production." We should try to achieve a true unity of thinking and action and make all-out efforts in concert to achieve this task.

Attends Plenary Meeting

OW1603060489 Nanjing XINHUA RIBAO in Chinese
4 Mar 89 p 1

[Excerpts] The Seventh Session of the Standing Committee of the Seventh Jiangsu Provincial People's Congress held its second plenary meeting on the morning of 3 March.

Comrade Li Qingkui presided over the meeting. Attending the meeting were Han Peixin, Li Zhizhong, Xing Bai, and other comrades.

Those attending the meeting heard a draft report given by Liu Yisheng, vice chairman of the membership credentials committee on the credentials of the candidates for deputies to fill vacancies in the seventh provincial People's Congress; reports by director Jiang Weibang of the provincial Judicial Department; reports by director Hu Rongmei of the provincial Bureau for Environmental Protection, and Deputy Director Wang Yongshun of the Provincial Scientific and Technological Commission on spreading legal knowledge, implementing the rules and regulations for environmental protection and the "Law on Technical Contracts" in Jiangsu. They also heard a report on personnel appointments and dismissals.

The report on spreading legal knowledge noted that by the end of 1988, more than 45 million people in the province had worked hard to broaden their knowledge on legal affairs. [passage omitted]

The report on implementing the rules and regulations on environmental protection noted that since 1980, Jiangsu had worked out some local rules and regulations on environmental protection, and strictly enforced them, scoring remarkable achievements. This was a fine beginning for the comprehensive improvement of the urban environment. [passage omitted]

The report on the implementation of the "Law on Technical Contracts" noted that Jiangsu had developed a total of 10 markets for the transfer of technology in 1988. There were 147 fairs, in which 28,712 contracts on technical matters were signed, with transactions totaling 426 million yuan in 1988. [passage omitted]

Deputies attending the plenary meeting organized themselves into small groups to study the aforementioned reports.

Jiangxi Holds Meeting on Security, Judicial Work

OW1603102589 Nanchang Jiangxi Provincial
Service in Mandarin 1100 GMT 8 Mar 89

[Text] A provincial meeting security, procuratorial, and judicial work, convened by the provincial party committee, opened in Nanchang this morning. The purpose of this meeting is to report on, and implement, the guidelines of the national forum on security, procuratorial, and judicial work; to further strengthen, in the light of Jiangxi's reality, security, procuratorial, and judicial work in the course of improving the economic environment and rectifying the economy order; and to create a stable social environment and provide legal guarantee and legal service for reform and construction throughout the province.

The meeting was presided over by Liu Fangren, deputy secretary of the provincial party committee. Wang Zhaorong, member of the Standing Committee of the provincial party committee and head of the Leading Group for Security, Procuratorial, and Judicial Work under the provincial party committee, briefed the participants on the guidelines of the national forum on security, procuratorial, and judicial work, and on speeches by central leading comrades. On behalf of the provincial party committee, Jiang Zhuping, deputy secretary of the provincial party committee and vice governor of Jiangxi, gave a report entitled "Further Strengthen Security, Procuratorial, and Judicial Work and Create a Stable Social Environment for Reform and Construction."

Jiang Zhuping said: In the past year, security, procuratorial, and judicial departments throughout the province, under the leadership of the provincial party committee and provincial government, has done a great deal of good work in ensuring social stability, safeguarding public security and order, and advancing socialist modernization, creating a province wide situation in which public order remains basically stable. However, we are still confronted with a host of difficulties and problems. The situation of public order is quite demanding. This is sharply manifested in the great number of major criminal cases and the increasing number of induced crimes, civil disputes, and social destabilizing factors. We must take these occurrences seriously and must not underestimate them. We must not abandon our ideas about the enemy and ourselves. We must not abandon and weaken the people's democratic dictatorship, our useful weapon.

Jiang Zhuping said: The major objectives of our security, procuratorial, and judicial work this year are as follows: We must strive to stabilize the public order situation and make it better than last year. Specifically, we must crack down on major crimes, earnestly tackle prominent problems of public order, continue to crack down on major economic crimes by properly handling incidents which may erupt suddenly. We must make use of legal means to provide a legal guarantee and service for improving the economic environment and rectifying economic order, strengthen the struggle against agents and spies, fight against sabotage by hostile forces, and train more personnel to carry out the security, procuratorial, and judicial work, with emphasis on promoting a clean administration.

Jiang Zhuping stressed: Party committees at all levels must further strengthen and improve their leadership over security, procuratorial, and judicial work.

Responsible persons from the security, procuratorial, and judicial departments of the prefectural, city, county, and district party committees, members of the leading group for security, procuratorial, and judicial work under the provincial party committee, and responsible persons of various departments concerned, totaling more than 200, attended the meeting.

Mao Zhiyong Chairs Jiangxi Meeting on Militia
OW1603232589 Nanchang JIANGXI RIBAO
in Chinese 28 Feb 89 p 1

[By reporter Zhan Siyi]

[Text] On 27 February the Jiangxi Provincial CPC Committee Armed Forces Committee held a plenary meeting which emphasized the need to implement the instructions of the party Central Committee, the State Council, and the Central Military Commission on strengthening the construction of a reserve national defense force, carrying forward the fine tradition of the party exercising leadership over the armed forces, further strengthening leadership, deepening reform, and striving to do even better militia and reserve service work in Jiangxi Province.

Provincial party, government, and army leaders Mao Zhiyong, Liu Fangren, Jiang Zhuping, Lu Xiuzhen, Wang Guande, Shen Shanwen, Wei Changan, Liu Ziming and Zhang Naigui; members of the Provincial Armed Forces Committee; and responsible comrades of the departments concerned were present at the meeting.

Mao Zhiyong, Provincial Party Committee secretary, Provincial Armed Forces Committee chairman, and Jiangxi Military District party committee first secretary, presided over the meeting. Major General Shen Shanwen, Jiangxi Military District deputy commander, delivered a report on behalf of the Jiangxi Military District. His report was entitled: "A Summary of Militia and Reserve Service Work in 1988 and Arrangements for

1989 Militia and Reserve Service Work." Major General Liu Ziming, Jiangxi Military District chief of staff, explained the arrangements for several major activities in connection with the militia and reserve service work planned for 1989. Responsible comrades from the Provincial Civil Affairs Department, Communist Youth League Committee, Public Security Department, Education Committee, Labor Department, Personnel Department, and Finance Department successively spoke at the meeting. At the meeting relevant decisions on such questions as all-people national defense education, regularizing people's armed forces departments, military training for militia and reserve forces, the management of weapons and ammunition, and preparations for setting up a provincial People's Armed Forces cadre school.

Mao Zhiyong, Liu Fangren, Jiang Zhuping, Wang Guande, and Lu Xiuzhen successively addressed the meeting. Mao Zhiyong emphasized four points: First, it is necessary to pay attention to national defense education and improve people's awareness of the importance of national defense. In the present situation, we should carry out national defense education first among the leading cadres at all levels, and then among the militia, reservists, and young people, so that all cadres and masses will correctly understand the armed forces' important role in the new period and know that our great motherland's security, international status, and social stability depend on the powerful people's army, which is loyal to the people and dedicated to national defense. Second, it is necessary to continue to give play to the superiority of our militia force and contribute to the developing and protecting the productive forces. The militia has long played a great role in production, construction, dealing with emergencies, providing disaster relief, maintaining public order, and building civilized units. We should organize, train, and use the militia force well. In rural areas, the militia should be organized to take an active part in overall agricultural development and play the role of a shock force in performing urgent, difficult, risky, and heavy tasks. In urban areas, militia work should be done well in order to meet the new situation of political and economic restructuring and help deepen enterprise reform and improve economic efficiency. Third, it is necessary to carry out militia and reserve force training in a down-to-earth way and enhance their fighting power. In militia and reserve service work we should embody the characteristics of the militia and emphasize enhancing fighting power. We should approach the militia training question from the high plane of a strategic question in a future war, attach importance to it, and increase it. We should ensure that the military training tasks assigned by the military commission, the general staff department, and the Nanjing Military Region are completed. Fourth, it is necessary to meet the new situation of reform, opening to the outside world, and developing a commodity economy and seriously strengthen leadership in militia and reserve service work. National defense buildup is not only the work of the military department, but also an important task of the whole party and the whole country. The provincial

Military District, military subdistricts, and People's Armed Forces Departments, as local party committees' military departments and local governments' military service organs, should take the initiative in offering advice to local party committees and governments and keeping in touch with and actively seeking the support of the departments concerned. Party committees, governments, departments concerned, trade union councils, women's federations and CYL organizations at all levels should include militia and reserve service work in their daily agendas, do the work together, push this province's militia and reserve service work into a new stage, and create a new situation in this work.

Shandong Secretary Addresses Honesty Meeting
SK1503063589 Jinan Shandong Provincial Service in Mandarin 2300 GMT 12 Mar 89

[Excerpts] A few days ago, while gathering news on the grounds of the provincial party committee building, our reporter heard a strange thing. That is, during this Spring Festival period, many persons from subordinate and related units who went to provincial level organs to offer Spring Festival gifts to leaders at higher levels were denied entrance. Even those gifts which were sent to the houses of department and bureau directors have all been turned over to the public.

A comrade of the provincial Discipline Inspection Commission told our reporter that at the end of last year, right after the new term of the provincial party committee assumed office, two Standing Committee meetings were held to discuss promoting administrative honesty. At these two meetings Jiang Chunyun, secretary of the provincial party committee, pointed out that the new term of the provincial party committee should first attend to promoting administrative honesty, and should create a new work situation making a breakthrough in this respect. In line with the demand of the provincial party committee, various departments directly under the provincial authorities made an overall arrangement for promoting administrative honesty before Spring Festival. The chief procurator and three deputy procurators of the provincial People's Procuratorate wrote a joint letter on ensuring administrative honesty. They printed and distributed this letter to various organs and branch procuratorates in various cities and prefectures in order to subject themselves to the supervision of the judicial cadres and policemen throughout the province. [passage omitted]

Our reporter also discovered an honest practice from report data provided by the provincial Discipline Inspection Commission. That is, during the Spring Festival period, while going deep among the grassroots areas to conduct an investigation, Jiang Chunyun, secretary of the provincial party committee, and Zhao Zhibao, provincial governor, refused to attend feasts and persisted in having simple meals. [passage omitted]

According to incomplete statistics, the 38 departments and bureaus directly under the provincial authorities have rejected gifts on 143 occasions. Currently the false reasoning that it is foolish to reject gifts has come unpopular among the provincial level organs.

Shanghai: Jiang Zemin Attends Women's Day Event
OW1603122689 Shanghai City Service in Mandarin 1000 GMT 7 Mar 89

[By reporter Zhu Mei]

[Excerpts] Women from all sectors in Shanghai met today at the Shanghai Acrobatics House to mark the International Working Women's Day.

Municipal party Secretary Jiang Zemin attended the meeting and conferred certificates of merit on municipal "8 March" red banner pacesetters and representatives of municipal "8 March" red banner collectives.

This year, Shanghai selected 982 municipal "8 March" red banner pacesetters, 140 "8 March" red banner collectives, along with 35 national "8 March" red banner pacesetters.

On behalf of the municipal party committee and the municipal government, municipal party Deputy Secretary Wu Bangguo extended holiday greetings to women from all walks of life in the city and put forward this year's expectations and requirements of women and women's organizations across the city. [passage omitted]

Xing Zhikang, chairman of the municipal women's federation, gave a speech at the meeting titled "Love Your Country, Work Hard, Do Pioneering Work, and Devote Yourself to the Country."

The meeting concluded by singing the song of revolutionary history.

Shanghai: Rongji Notes Car Industry Development
OW1603122189 Shanghai City Service in Mandarin 2300 GMT 6 Mar 89

[Text] During a recent interview with a JIEFANG RIBAO reporter, Mayor Zhu Rongji said: With the development of the economy, the sedan industry will boost Shanghai's industry to a new level [words indistinct] as an important Shanghai industry.

Reviewing the production of sedans in Shanghai, Mayor Zhu said: In the past 30 years, Shanghai's sedan industry has been developed by basically relying on the municipality's own strength. However, it should be noted that the industry's economic efficiency and technological standards had been relatively low.

In 1984 Shanghai and the Volkswagen Company of the FRG established a joint venture called the Shanghai Volkswagen Company, Ltd. The company has been

producing Shanghai (Santina) sedans with technological standards of the 1980's. This has invigorated the municipality's sedan industry and advanced it to a new stage of development. In the more than 4 years since the establishment of the Shanghai Volkswagon Company, its labor productivity has increased 350 percent. In 1988 the company produced 15,500 (Santina) sedans. Their quality was almost the same as those produced in (Federal Germany).

Mayor Zhu said: Some people think that the automobile plant in Shanghai that used to manufacture Phoenix sedans and is now producing the Shanghai brand of sedans is a Chinese plant. They regard the Shanghai Volkswagon Company producing (Santinas) as a foreign plant. This concept of setting the Shanghai brand against the (Santina) has lagged behind the new situation brought about by reform and opening to the outside world. It should be said that the Shanghai Volkswagon Company, Ltd, is [words indistinct].

In answering a question on the disadvantages of having Shanghai's sedan industry making two brands of sedans—the (Santina) and Shanghai brands—while the domestic demand for the Shanghai brand is still high, Mayor Zhu said: In accordance with the characteristic of the automobile industry itself and the world's experience in developing the sedan industry, it is necessary to have two basic viewpoints if we are to develop Shanghai's sedan industry. First, it is no use having a sedan manufacturing plant if the quality fails to reach advanced world standards. Second, Shanghai can only pool limited manpower, material and technological strength to develop a sedan industry of [words indistinct].

Mayor Zhu said: Through the efforts of the past few years, Shanghai has gradually increased the percentage of its share in making the (Santina) sedan. By the end of last year Shanghai could make 30.6 percent of the sedan. This year's plan calls for increasing the rate to over 50 percent. Therefore, to expand the scale of production, we should consider increasing the output of (Santina) sedans provided quality is maintained. When an engine workshop and other supporting workshops are completed next year, Shanghai will be able to basically manufacture the (Santina) sedan. Moreover, as operating costs are relatively low, the competitiveness of the (Santina) sedans will be quite sharp. Therefore, these sedans can complete in the world market.

In answering concerning whether Shanghai's sedan industry can develop two production systems, Mayor Zhu said: China's sedan industry is still in a difficult period of development because of limited manpower, material and financial resources. It takes more than 100 million yuan to establish an industrial system for the manufacturing of sedans. Based on Shanghai's financial strength, it can only afford one sedan manufacturing system for some time to come. It cannot afford two systems.

Mayor Zhu said: Before Shanghai can take over 100 percent of the share in manufacturing (Santina) sedans, Shanghai's automobile plants should make full use of their production strength. While ensuring quality, they should increase the output of Shanghai brand sedans by using (Santina) parts as many as possible. At the same time, they should carry out some renovation. The principle is to make parts that will help Shanghai to reach 100 percent self-sufficiency rate in manufacturing (Santina) sedans. They should refrain from making a different set of parts.

Mayor Zhu said: The major task for Shanghai in developing the sedan industry is to gradually strive to make all the parts in China. The objective is to be able to manufacture sedans reaching international standards to satisfy the demand of the domestic market and then to compete in the international market. In the first stage, it is planned to manufacture 30,000 sedans and 100,000 engines a year. In the next stage, efforts will be made to build a strong sedan industry system by manufacturing 300,000 sedans a year in China.

Mayor Zhu said: To achieve this end, we have to work well in three respects. First, we must continue to consolidate and develop our achievements of (self-sufficiency rate) in manufacturing (Santina) sedans. Second, we should start building a technological center for the sedan industry. Third, we should accumulate funds through (Santina) and build China's own base for the sedan industry.

Zhejiang People's Congress Committee Opens
*OW1703015889 Hangzhou Zhejiang Provincial Service
in Mandarin 1000 GMT 9 Mar 89*

[By reporter Chai Xianyao]

[Text] The eighth meeting of the seventh provincial People's Congress Standing Committee opened in Hangzhou today. Chairman Chen Anyu presided over the meeting.

At the plenary session held in the morning, members approved an agenda for the meeting. Then they heard a report made by Song Shaoxiang, director of the provincial finance department, on behalf of the provincial people's government on the execution of Zhejiang's 1988 budget and the proposed 1989 budget; a report by Xia Zhonglie, director of the provincial public security department, on behalf of the provincial people's government on progress in cracking down on serious criminal offenses to safeguard public order; an explanation by Wang Ximing, deputy director of the provincial land management bureau, on behalf of the provincial people's government on the draft revised regulations for enforcing land management in Zhejiang; and reports on personnel appointments and removals.

The above reports were discussed by members in the afternoon session.

The meeting will also examine and approve a decision on convening the second session of the seventh provincial People's Congress, and discuss the provincial People's Congress Standing Committee's work report.

Vice Chairmen Wu Zhichuan, Li Yuhua, Wang Qidong, Zhu Zuxiang, Wang Yumin, and Yang Bin attended the meeting.

Vice Governor Wang Zhonglu, Yuan Fanglie, president of the provincial Higher People's Court, and Hu Canshi, chief procurator of the provincial People's Procuratorate observed the meeting.

Central-South Region

Guangzhou Fleet To Patrol Spratly Islands
HK1503045889 Hong Kong TA KUNG PAO
in Chinese 15 Mar 89 p 13

["Special Dispatch" from Guangzhou: "Guangzhou Naval Fleet to Patrol Spratly Islands and To Be Responsible for Their Defense"]

[Text] The Guangzhou base of the PRC Navy is going to send naval vessels to patrol the Spratly Islands in a few days as ordered.

Yesterday afternoon, the Guangzhou Naval Base held an oath taking rally for the Spratly mission at Jungang Pier. Vice Commander of the base Rear Admiral Chen Bingchen read out the order jointly signed by Commander Liu Dingyou and member of the Political Bureau Wei Boliang regarding the formation of the Spratly Frontline Headquarters. At the rally, the Spratly Frontline Commander, Ai Ningsheng pledged their determination to develop and defend Spratly on behalf of Spratly officials and soldiers.

Last year, the Spratly Naval Base accomplished such tasks as operational patrolling, guarding the reefs and surveying in Spratly. This time, they take a mass pledge again before setting out for Spratly. The relevant departments of Guangdong Province and Guangzhou City will guarantee the living of Spratly officials and soldiers materially and financially.

Guangdong: Lin Ruo Activities Noted

Visits Special Economic Zones
OW1503225089 Beijing XINHUA in English
1446 GMT 15 Mar 89

[Text] Guangzhou, March 15 (XINHUA)—Coastal Guangdong Province should curtail capital construction, rationalize its economic structure, ensure the continued operation of existing facilities, stress reform and improve economic returns, a senior provincial official said here recently.

Lin Ruo, secretary of the Guangdong provincial committee of the Chinese Communist Party, put forward these new ideas on how to implement the state policy of improving the economic environment and rectifying the economic order and carry out the economic development strategy for coastal areas.

After visiting Foshan, Jiangmen, Zhongshan, Zhuhai and Shenzhen—the most economically developed areas in Guangdong—Lin said these five cities, the economies of which used to be severely overheated, have achieved primary results in curtailing capital construction and trimming surplus firms. As price hikes have been reined in, the cities now have a good opportunity to upgrade technology and production with overseas funds.

On the other hand, they are confronted with such disadvantageous conditions as a serious shortage of funds, potential price crisis and a wait-and-see attitude prevalent among the local people.

Lin said that the nationwide drive to improve the economic environment provides a good climate for Guangdong to readjust its industrial and investment structure.

He also stressed that the current international climate of detente and industrial restructuring in developed countries provide a favorable situation for Guangdong to develop its economy.

"Guangdong cannot afford to let slip either the domestic or the international opportunities, which may never come again," Lin said.

The successful revamping of the economy will attract more foreign investment and boost the province's export-oriented economy. Implementation of the economic development strategy in coastal areas during the improvement of the economic environment will surely promote the domestic economic readjustment as well, he noted.

The party secretary called for local officials to adopt a positive attitude in the present situation and control the scale of bank loans to curtail capital construction.

On economic readjustment in Guangdong, Lin suggested cutting back on projects in the processing industry which scramble for raw materials and markets in competition with those in the inland areas and concentrating efforts on the communications, energy and raw materials industries for development of the export-oriented economy.

On using overseas funds, the secretary suggested: 1) attracting more overseas investors to establish enterprises with sole overseas investment; 2) continuing to attract overseas funds via Overseas Chinese, and Hong Kong and Macao compatriots; 3) expanding the shares of

overseas partners in joint ventures and cooperative enterprises, and 4) transferring some state enterprises to foreign businessmen who will operate and streamline them with imported funds, technology and management.

Lin pointed out that rectifying the economic order and ensuring that the Guangdong economy develop steadily and in a healthy manner depends on deepening the reform. Improving economic returns and increasing effective supply cannot be carried out without deepening the restructuring of enterprises.

In addition, importing advanced management expertise is part of the reform of the existing economic management structure. It is also part of the pilot process in the reform to empower overseas businessmen to contract joint ventures and cooperative enterprises, and to transfer some state enterprises to foreigners.

The secretary stressed that Guangdong has laid a sound foundation for its commodity economy, especially in the export-led sector, which is one of the achievements of the past 10 years of reform and opening to the outside world. The reform should be protected and developed, and under no circumstances can the road back be taken, he said.

Inspects Maoming Railway

HK1503131389 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 89

[Text] In the company of leading comrades of the Maoming City CPC Committee and Government and Sanshui-Maoming Railway Company, provincial party committee Secretary Lin Ruo yesterday morning inspected the Maoming section of the Sanshui-Maoming railway.

Comrade Lin Ruo visited the construction sites at the Maoming East Station of the Sanshui-Maoming railway and the Nahuo Station of Dianbai county. He inquired in detail about the project's progress. The responsible person of Sanshui-Maoming Railway Company told him that the track laying operation of the 53-kilometer section between Maoming and Nahuo is expected to be completed this April and open to traffic by 1 July. Comrade Lin Ruo expressed his satisfaction with the progress of the construction of the Maoming section of the Sanshui-Maoming Railway. He said: The Sanshui-Maoming railway is of great importance to the economic development of Maoming city and even the whole province. I hope that the local government will fully cooperate with the railway department so that the Sanshui-Maoming railway can be put into operation as soon as possible.

Comments on Universities

HK1703023389 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 16 Mar 89

[Text] Speaking at a forum with party committee secretaries of provincial universities and colleges yesterday, provincial party committee Secretary Lin Ruo called on them to run their schools firmly and create conditions for rational transfer of talented people to the party.

Lin Ruo pointed out: Some universities and colleges are currently not run firmly and have slackened their efforts to educate students. As a result, some students are in no mood to study hard and even some trends of extreme individualism have appeared. Facing these problems, party committee secretaries of universities and colleges should not be weak and incompetent, nor should they be indifferent to these problems. They should be bold enough to encourage students to argue against incorrect things and strengthen education among young students, justly and forcefully publicizing the party's theory and policies.

Lin Ruo emphasized: To train elites for society, universities and colleges must have a number of teachers who are proficient in running schools firmly.

Commenting on talented people, Lin Ruo noted: Talented people in universities and colleges are primarily in a state of relative rest, this prevents improving the quality of teaching. He hoped party committee secretaries would boldly carry out reform to create conditions for talented people.

Wang Zhen Stresses Ideology in Zhuhai

HK1503120389 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 14 Mar 89

[Text] Yesterday afternoon, in the company of Fang Bao, a member of the standing committee of the provincial party committee, and Liang Guangda, Secretary of the CPC Committee and Mayor of Zhuhai city, Vice President Wang Zhen met with the responsible comrades of the leading bodies of the five sectors and of some departments, commissions, and offices of Zhuhai City.

Having expressed his appreciation for Zhuhai city's outstanding achievements in the fields of material and spiritual civilization, Wang Zhen noted: It is necessary to strengthen the education in ideals among cadres, the public, and, in particular, youngsters. We Communists must cherish a goal of struggle and a lofty ideal, namely, the ideal of communism. It is necessary to teach cadres and the masses to uphold the four cardinal principles, to promote patriotism, to build up national pride and a firm faith in communism. Our leading comrades should be courageous in promoting education in ideals, and should take special care of primary and secondary pupils in order to foster them into successors with lofty ideals, moral integrity, good educational background, and a high sense of discipline.

Guangdong Deputy Develops Polling System

OW1703090889 Beijing XINHUA in English 0713 GMT 17 Mar 89

[Text] Guangzhou, March 17 (XINHUA)—A woman who intends to run for deputy of the Guangzhou City People's Congress is initiating a public opinion poll to test the degree of confidence in her among Guangzhou residents.

Meng Weina, 35, is a noted figure in Guangzhou. She made herself well-known in 1985 by founding the non-governmental Zhiling School, a school for handicapped children. Later she was picked as one of the "ten best public servants in Guangzhou".

Meng stood as a candidate for a District People's Congress and won the election in 1987, but she failed to realize her attempt to be elected a deputy to the city people's congress in 1988.

"I feel that there must be laws and regulations to protect the interests of the handicapped, therefore I want to be a legislator myself," she said.

"As a citizen not affiliated to any political party or government institution, I would like to know what the residents think of me and of my political ability through a poll," she added.

She has commissioned the Guangzhou Youth Public Opinion Poll Center, an institution under the Guangzhou City Communist Youth League Committee, to do the survey. She will devise the questionnaire to be used in the poll and pay the expenses.

Questionnaires will be distributed among fellow deputies to the District People's Congress and residents in and outside the district, according to the center.

"I will make my own decision on whether I should again stand as a candidate for the city people's congress when the results of the poll come out," she said.

Peng Zhen Gives Shenzhen Assurance, Warning
HK1503082389 Hong Kong SOUTH CHINA
MORNING POST in English 15 Mar 89

[Text] Retired Chinese leader Peng Zhen gave officials of the Shenzhen Special Economic Zone both an assurance and a warning during a recent inspection of the area.

The 87-year-old former chairman of the National People's Congress promised reforms would continue in the zone. But he warned that Shenzhen must continue to remember its responsibilities to the rest of the country.

According to the SHENZHEN SPECIAL ZONE DAILY, Mr Peng visited the zone from March 9 to 12. His visit was one of a series by Chinese senior leaders to Guangdong province in the past few months.

A frequent visitor has been party General Secretary Zhao Ziyang who made appearances in Zhuhai, Shenzhen and Guangzhou last month. He met Mr Peng and Mr Wang Zhen, another octogenarian leader, in Zhuhai.

Mr Peng visited an electronics factory and a farm in Shenzhen as well as meeting mayor Li Hao, vice-mayor Zhou Xiwu and other senior officials of the municipality.

Although Mr Peng does not hold any government or party post at the moment, he still exerts a great deal of influence on the leadership.

His warning reflected the official line regarding the relationship between Guangdong, the most developed province, and the rest of China.

Similar comments were made by Mr Kuang Ji, vice governor of Guangdong Province, at a meeting with representatives from eight democratic parties held in Guangzhou earlier.

The meeting was held to discuss problems resulting from the austerity program introduced to cool the country's overheated economy.

Mr Kuang told the meeting that although Guangdong had achieved remarkable results following the reforms, its contribution to the national economy was more important.

However, some representatives voiced their concern about the policy and suggested Beijing should make some allowances for Guangdong.

Their concern indicated a popular sentiment among people in Guangdong that the province should be given more freedom to run its economy.

Shenzhen Firms Fined for Selling IBM Computers
OW1403192789 Beijing XINHUA in English
1304 GMT 11 Mar 89

[Text] Beijing, March 11 (XINHUA)—A maximum fine of 662,696.5 yuan has been imposed on five Shenzhen companies for selling fake IBM computers.

The companies were charged with infringement of the exclusive right of the International Business Machines Corp. (IBM) in using its registered trademark.

The judgement was announced by Li Jizhong, director of the Trademark Office of the State Administration for Industry and Commerce, at a press conference today.

He said that the five companies bought 347 unassembled fake IBM computers from traders in Hong Kong between May and September last year.

The bogus computers were then assembled without authorization, and 223 were sold for 3.23 million yuan (one yuan equals approximately 27 cents U.S.).

The five companies fined were the Shenzhen Baohua Scientific and Technological Development Partners Co., the Shenzhen Chaoqun Scientific and Technological Co. Ltd., the Shenzhen Zijin Electronic Industries Co. Ltd., the Shenhan Electronic Technique Co. Ltd., and the Shenzhen Micro-computers Co. Ltd.

The director said that they had infringed the exclusive trademark right of IBM and imposed a maximum fine.

They were also ordered to remove the fake IBM trademarks from the computers and destroy packages marked with the bogus logo.

The American computer giant registered its trademark in China in 1980 and was granted exclusive right to the use of its own name, protected by Chinese law.

Li stressed that China will steadfastly protect the exclusive right of any registered trademark owners—from China or other countries.

Wilson S. Wang, spokesman for the IBM Corporation, expressed his gratitude for Chinese efforts in dealing with the cases. The company has been encouraged by China's prompt response to their complaint, he said.

Wang also disclosed that IBM is increasing its investment in China as a result of the successful outcome of the cases.

Guangxi's Chen Calls Attention to Agriculture
*HK1603024589 Nanning Guangxi Regional Service
in Mandarin 1100 GMT 14 Mar 89*

[Excerpts] When inspecting spring ploughing in Qinzhou prefecture recently, Chen Huiguang, regional party committee secretary pointed out: Party committee and governments at different levels must resolutely boost grain production.

From 9 to 11 March, Secretary Chen Huiguang and regional government Vice Chairman Long Chuan visited the counties of Shangsi, Fangcheng and Qinzhou in Qinzhou prefecture to inspect spring ploughing and listened to a briefing given by leaders of the counties. [passage omitted]

After listening to the briefing, Secretary Chen Huiguang noted: Party committees and government at different levels must give serious attention to agriculture, and particularly to grain production. At no time should we slacken our efforts to develop agriculture and grain production. We must unfailingly boost it as we are now doing. Of course, in saying that we should pay attention to grain production, we do not mean that we may ignore other things. For example, we must develop industrial production through an improvement effort and rectification, and attach importance to the development of township and town enterprises.

Hubei: Guangfu's Activities Detailed

Calls for Stronger Party
*HK1703041789 Wuhan Hubei Provincial Service
in Mandarin 1000 GMT 16 Mar 89*

[Text] At a recent discussion meeting with comrades participating in a provincial discipline inspection work conference, Guan Guangfu, provincial party committee

secretary, emphasized: Discipline inspection work constitutes an important aspect in strengthening party-building. It is necessary to zealously explore the features and law of discipline inspection work in the present period of great changes to improve and strengthen discipline inspection work in an effort to ensure the implementation of the party's basic line and keep the party vigorous and healthy.

At the meeting, Comrade Guan Guangfu said: Discipline inspection Commissions at different levels of our province enjoy a high reputation among cadres and the people and the provincial party committee is satisfied with their remarkable work of helping party committees at all levels to rectify the party's work style. At present the general environment of strengthening party-building is very good, so is the auxiliary environment of discipline inspection work. We must not waste time in improving and strengthening discipline inspection work. He said: While carrying out reform, opening up to the outside world and developing the commodity economy, there has emerged a phenomenon of intergrowth—on the one hand good things are emerging one after another and on the other, there exist some negative occurrences in society, such as corruption and flagging discipline. When these negative occurrences are exhibited in the party, party discipline is wrecked. At present a major sign of violating party discipline is the deal between power and money. Meanwhile, liberalism, the spreading of hearsay information, and the fabrication and spreading of rumors have all weakened the party concept and leadership, relaxed party discipline and corroded the party organism. Our discipline inspection departments must work as a radar to watch for and discover symptoms of unhealthy tendencies in time in order to deal with any violations of law and discipline.

Guan Guangfu continued: Now the key tasks for party-building are to eliminate corruption and increase the cohesiveness and appeal of the party. These also constitute the major aspects of discipline inspection work. All Discipline Inspection Commissions should prosecute their duties by enforcing party discipline and imposing discipline on every party member economically, organizationally, politically and morally. Party members violate discipline mainly for power, fame and gain, and for some other things. All party members must restrain themselves from violating party discipline. Discipline Inspection Commissions must protect party discipline in an all-around way and strengthen supervision over the same level party committees. Leading members of party committees at different levels should increase their ability to keep themselves within the bounds of party discipline and increase the consciousness of accepting supervision from similar Discipline Inspection Commissions.

Guan Guangfu stressed in conclusion: Party commissions at different levels must enthusiastically support the work of Discipline Inspection Commissions and care for cadres of the Discipline Inspection Commission in terms of politics and life. When cadres of Discipline Inspection

Commissions face obstacles, inconvenience, and retaliation just because they uphold party discipline and discover violations of discipline, party organizations at the higher level must support, and protect them in their struggles of safeguarding the interests of the party.

Present at the discussion meeting were Zhao Fulin, provincial party committee deputy secretary and leaders of the provincial Discipline Inspection Commission.

Chairs Agricultural Meeting

*HK1603032389 Wuhan Hubei Provincial Service
in Mandarin 1000 GMT 15 Mar 89*

[Excerpts] The provincial party committee held an enlarged meeting of its Standing Committee on 11 March. In line with the spirit of the second plenary session of the fifth provincial party committee, at the meeting a specific analysis of the situation, difficulties, and studied measures, were centered on doing everything possible to achieve a bumper harvest this year. [passage omitted]

Provincial Party Committee Secretary Guan Guangfu chaired the meeting. Deputy Secretaries Guo Zhenqian, Zhao Fulin, and Qian Yunlu; Standing Committee members Ding Fengying, Zhang Xueqi, and Zhong Shuqiao; and other responsible comrades attended. [passage omitted]

At the meeting it was noted that Hubei's agricultural difficulties at present are more conspicuous and complex than in any recent year. Last year the people of the province waged a stubborn fight against a particularly severe drought and floods, but the natural disasters in the end caused reduced output of the major agricultural products, and the losses were serious in some areas. This caused more difficulty for agricultural production and people's livelihood. Although the state has recently raised again the grain and cotton procurement price, and people's enthusiasm for growing grain and cotton has revived to some extent, the previous occurrence of issuing blank slips in grain and cotton procurement has affected the peasants, and there are still instability factors in grain and cotton production. There are shortages of capital, energy, and raw material in the township and town enterprises.

At the meeting it was noted with particular concern that with spring farming imminent, there are severe shortages of agricultural production materials and capital, with conspicuous supply demand contradictions.

In the face of the current rural situation, characterized by both difficulties and hopes, participants at the meeting called for taking a more serious view of the difficulties in order to seize the initiative in dealing with them. [passage omitted] Participants proposed specific counter-measures and moves in light of the current urgent problems in agriculture:

1. Further strengthen the sense of urgency in producing a bumper harvest this year. The size of the harvest this year is very important regarding rural economic development and the peasants' livelihood and also to effects supply and market price stability in the urban areas. It is related to agricultural accumulation and development and also to improvement and rectification throughout the country. [passage omitted]
2. Participants demanded that all departments, trades, and sectors throughout the province launch a major discussion on the situation, the tasks, the policies, services, and investment, in order to appropriately solve mental and specific problems in these respects, boost confidence, spirits, and mobilize all levels and sectors to support agriculture. [passage omitted]
3. Uphold the guidelines of grasping the summer and autumn harvests with both hands, by using the summer harvest to spur the autumn harvest on the one hand and recouping summer losses in autumn on the other. At present the size of the summer harvest is by no means certain. [passage omitted]
4. Correctly handle the relations between the various sectors of the rural economy, first by increasing grain and cotton production, on the one hand, and achieving all-around development on the other. We must ensure increased grain and cotton production. At the same time we must give free rein to promoting diversification. [passage omitted]
5. We must go all-out to resolve problems in agricultural materials and capital. In the current shortages of chemical fertilizer, pesticide, and capital, all localities and the industry and communications and finance and trade departments must make every effort to tap internal potentials so as to overcome the difficulties. The finance and trade, monetary, and material supply departments must institute optimum allocation and rational arrangements for the limited materials and capital. In particular, efforts must be made to find new ways of invigorating capital. [passage omitted]
6. Popularize applied agricultural technology and bring science and technology to the frontline of agricultural production. [passage omitted]
7. The cadres must go to the rural areas. Participants decided to immediately mobilize 20,000 cadres of organs at and above county level to go to the grass roots to help with spring farming. [passage omitted]
8. Specific guidance should be provided for work in light of Hubei's situation. [passage omitted]
9. Resolve the problem of agricultural investment as soon as possible. Participants ordered the provincial government departments concerned to organize forces and formulate schemes, and implement them after proving their feasibility. Some issues should be referred to the provincial People's Congress for legislation in order to enshrine agricultural investment in law as soon as possible and avoid arbitrariness.
10. It is essential to strengthen the rural work organs at all levels and give scope to their comprehensive coordination role.

Hubei CPC Committee To Step Up Self-Improvement
HK1403085789 Wuhan Hubei Provincial Service
in Mandarin 1000 GMT 11 Mar 89

[Text] The following is an abridged version of some stipulations established by the Fifth Hubei Provincial CPC Committee on stepping up self-improvement:

1. All the members of the provincial party committee [QUAN WEI HUI] must implement the party's political, ideological, and organizational line; strictly observe the party's political discipline; keep in step with the party's central committee politically; take the initiative in defending the authority of the party's central committee and the State Council; resolutely resist political liberalism; and struggle against all words and deeds that may demoralize the party and undermine the party's fighting power.
2. All the members of the provincial party committee must earnestly implement directives issued by the party's central committee and resolutions adopted by the fifth provincial party congress; and resolutely fulfill all the tasks assigned by the provincial party congress.
3. All the members of the provincial party committee must resolutely implement the principle of attaching importance to both aspects, namely, attaching importance to the development of the socialist commodity economy on the one hand and to the work related to the ideological and political field on the other.
4. All the members of the provincial party committee must adhere to the principle of democratic centralism. In general the committee holds two plenary sessions a year to hear, discuss, and examine reports made by the Standing Committee of the provincial party committee, discuss and make decisions on major issues concerning the guidelines and policies that apply to the whole province.
5. The Standing Committee of the provincial party committee must maintain closer ties with members of the provincial party committee, regularly brief them on the progress of the work in the whole province, and provide them with all facilities that are useful for them to have a clear picture of the whole situation and to get involved in decisionmaking.
6. All the members of the provincial party committee must study harder and constantly improve themselves.
7. All the members of the provincial party committee must try to perform well in regular activities of party organizations at both the higher and lower levels. In other words, they must, on the one hand, participate in the capacity of ordinary party members, in the regular activities of their own party groups and in the general membership meeting of the party branches that they belong to; and, on the other hand, they must play a more active part in the routine meetings of leading party organizations. They must adhere to the party's principles, take the lead in giving criticism, criticizing themselves, and in participating in normal ideological struggle.
8. All the members of the provincial party committee must show a greater initiative in being honest while performing their official duties, and maintaining honest and clean governments.

9. Members of the provincial party committee must maintain close links with the masses, solicit their opinions, and earnestly submit themselves to the public's supervision. They should show concern for the interests of the masses and make real efforts to help the masses solve practical difficulties in daily life. They must dig deep into the realities of life, improve their work style, and make thorough investigations and studies. In general they should spend at least 3 months each year on surveys and studies at the grass-roots level.

Promoting Clean Government Slated
HK1403111289 Wuhan Hubei Provincial Service
in Mandarin 1000 GMT 11 Mar 89

[Excerpts] The following are excerpts from the decision on promoting honest and clean government adopted by the Second Plenary Session of the Fifth Hubei Provincial CPC Committee.

1. While developing the commodity economy, it is necessary to maintain a clean and honest administration in party and government organizations. Party organizations of all prefectures, all departments, and all units throughout the province must make the development of an honest and clean government a matter of prime importance, as an important part of efforts to strengthen party-building and political democracy, and as an urgent task to guarantee the smooth progress of reform and opening up. They should make proper arrangements, closely supervise the progress of the work to ensure good results, and make unremitting efforts to promote honest and clean government.
2. The drive to crack down on bribery and corruption should be carried out as a key task in promoting honest and clean government. [passage omitted] In light of the actual situation in this province, it is stipulated that no cadres working with party and government organs are allowed to continue to build private houses. All the private houses already built by cadres of this category must be investigated and all the cases involving violations of the law and discipline, if found, must be properly handled.
3. It is necessary to step up the development of a system of honest and clean government. This should be started by those organs that are directly related to the masses and from those links that the masses are most concerned about and where corruption may most easily arise. On this basis, the system should be extended and improved step by step. [passage omitted]
4. It is necessary to strengthen supervisory organs. All discipline inspection and supervisory organs and procuratorates must further step up self-improvement and constantly improve the quality of their staff. It is necessary to give full play to the supervisory role of mass media in the struggle against violation of the law and discipline. [passage omitted]
5. It is necessary to foster a contingent of honest cadres. [passage omitted]
6. It is necessary to earnestly strengthen leadership over the development of honest and clean government. [passage omitted]

Hubei Achievements in Science, Technology Noted
OW1703121189 Beijing XINHUA in English
0202 GMT 17 Mar 89

[Text] Wuhan, March 17 (XINHUA)—Hubei Province, in Central China, has won 233 awards, at home and abroad, for scientific and technological progress, and Deputy Governor Han Nanpeng praised this today as a magnificent achievement.

The deputy governor said all the items were made by provincial scientific and technological personnel in the past three years.

Forty-seven of them were up to or near advanced international scientific and technological level. One hundred and fifty-two of them reached or passed the advanced national level.

A liquid gas filling line, which won a first prize, can fill 700 to 900 cylinders per hour, Han said.

Han said that the development of provincial science and technology has brought great economic benefits. One hundred and ninety-nine productive projects, which won different prizes, turned out 5.26 billion yuan worth of products in recent years.

Southwest Region

Commentary Urges Tibetans To Reveal Separatists
HK1703015089 Lhasa Tibet Regional Service
in Mandarin 1130 GMT 16 Mar 89

["Summary" of XIZANG RIBAO commentator's article: "Mobilize the Masses To Expose and Report"—date not given]

[Text] The article says: Mobilizing the masses now to expose and report the separatists and their crimes is very essential in cracking down on the separatist forces, stabilizing the situation, and bringing about a long period of tranquillity in Tibet. Exposing and reporting the separatists is a move aimed completely at upholding the interests of the state and the masses. Both the state and the people suffered as a result of the separatists' activities in causing riots, beating, smashing, looting, and burning; damaging the motherland's unity and ethnic solidarity; sabotaging normal social order; and disrupting people's stable and happy lives. The state can hardly enjoy peace and the people can hardly have a good life unless these people are exposed and reported and their criminal activities curbed.

The people of Tibet have clear vision. The people have clearly seen and noted the perverse behavior of the separatists and have drawn up a list of criminal charges against them. Now is the time to settle accounts. The separatists cannot get by in the confusion or slip away. The awakened people will certainly not let them go.

The article notes that some of the masses still have worries and muddled ideas of various kinds. We must do a good job in ideological work for these masses to enable them to get rid of their worries, distinguish between right and wrong, take a firm stand, and take the initiative in boldly exposing and reporting the separatists. We must sternly warn certain people who fail to do their duty in this respect: It is wrong to conceal what one knows of a case; and it is criminal to shield and even conceal rioters. In the end, there is no advantage to be gained from such acts.

The article says in conclusion that reactionary elements are most afraid of the awakened masses. The separatists are no exception. There will be no good times for the separatists if the masses spontaneously take action to expose and report them.

Legislation Encourages Use of Tibetan Language
OW1703082589 Beijing XINHUA in English
0728 GMT 17 Mar 89

[Text] Lhasa, March 17 (XINHUA)—From now on, people of the Tibetan nationality are required to speak in the Tibetan language when delivering speeches at important meetings, and various official documents and names of public facilities must be provided in both standard Chinese and the Tibetan language.

These stipulations are part of the newly-promulgated Regulations on the Study, Use and Development of the Tibetan Language published earlier by the People's Government of the Tibet Autonomous Region.

According to the regulations, proficiency in the Tibetan language will be one of the most important requirements for prospective cadres or staff members of regional government departments.

The regulations also stipulate that the Tibetan language will be the major language in pastoral areas and primary emphasis should be laid in eliminating illiteracy.

Schools in rural areas should concentrate on the Tibetan language, though standard Chinese is also required to be taught.

Because of an inadequate supply of teaching materials and a shortage of teachers, the regulations pointed out the urgent need to make up this shortfall.

By 1993 textbooks for middle schools should all be written in Tibetan; by 1997 most of the subjects in senior middle and technical schools should be taught in Tibetan; and after the year 2,000, institutes of higher learning should gradually start to use the Tibetan language, the regulations state.

They also stipulate that all documents issued by the political and legal departments should use Tibetan as the major language, and ordinary people can use either Tibetan or standard Chinese in judicial or religious activities.

The regulations were formulated on the basis of a suggestion made by Ngapoi Ngawang Jigme, vice-chairman of the Standing Committee of the Seventh National People's Congress and the late Panchen Lama, which called upon Tibetan people to "study, use and develop the Tibetan language."

Gyibug puncogcedain, vice-chairman of the Regional People's Government and vice-chairman of the Tibetan Language Guidance Committee, said that the regulations are a product of many people's joint efforts.

Officials Urge Responsiveness to Tibetan Concerns
OW1703082789 Beijing XINHUA in English
0733 GMT 17 Mar 89

[Text] Lhasa, March 17 (XINHUA)—Zandui, a 69-year-old Tibetan deputy to the Lhasa City People's Congress, is becoming more and more active in putting forward proposals, "because the government gives me an attentive ear," he said.

He and other deputies reported citizens' housing problems to the local government, and he described the governmental response as "encouraging".

Up to now, a total of 13 million yuan has been put aside to improve people's housing conditions in Lhasa, capital of the Tibet Autonomous Region, and more than 30,000 sq m of new apartment buildings will be built this year. This is an increase of 50 percent over the figure for last year, according to an official from the Lhasa City Government.

Governments at various levels in Tibet attach great importance to the Tibetan people's demands and they adopt proposals put forward by people's deputies with a positive attitude.

Last July, at the fifth regional people's congress, deputies of minority nationalities put forth 304 items of criticism and proposals on political affairs, and local economic, cultural and educational development.

Already, 165 have met with a response and the others are under investigation, said a spokesman of the regional government.

In accordance with a proposal from deputies, the Standing Committee of the Tibet Regional People's Congress has made a decision on learning, using and developing the Tibetan language.

And in consideration of the fact that Tibetans make up 95 percent of the region's population, the Standing Committee has also worked out a rule on elections which stipulates that deputies of Tibetan and minority nationalities should make up 80 percent of the total. Also, those Tibetans who now live abroad will also have the right to vote and to stand for election, the spokesman said.

Buddhist Activities Resume After Riots in Lhasa
OW1403105389 Beijing Xinhua in English
0803 GMT 14 Mar 89

[Text] Lhasa, March 14 (XINHUA)—Buddhist believers in Lhasa, capital of the Tibet Autonomous Region, have resumed their prayers at temples in the city, when martial law was imposed March 7.

As a result of riots a week ago, Buddhist activities were disrupted for three days in some of the monasteries in the city before imposition of the martial law.

At the Qoikang monastery, pilgrims have been paying respects to the Buddha with incense burners sending out plumes of smoke at the gate of the monastery.

In the monastery an old Tibetan woman named Yangzom told XINHUA correspondents that she usually went to the temple every day, but she dared not go during the disturbances.

By showing identity cards, Buddhist believers in Lhasa are free to visit any of the temples in the city during martial law.

A Tibetan who had travelled 100 km to Lhasa said he was held up there for three days because of the riots. "I came here specially to pray for good harvest and wanted to return soon to till my land, but I had to wait three days for the temple to reopen," he said.

Yunnan: Pu Chaozhu's Activities Detailed

Urges Party-Building

HK1703015989 Kunming Yunnan Provincial Service
in Mandarin 1100 GMT 16 Mar 89

[Excerpts] A provincial conference on party-building, convened by the Yunnan Provincial CPC Committee, concluded in Kunming yesterday. Secretary Pu Chaozhu delivered a speech at the conclusion of the meeting. [passage omitted]

Pu Chaozhu said: Why is the CPC Central Committee now repeatedly stressing the question of party-building? Party-building serves the implementation of the party's political line. Beginning with the 3d Plenary Session of the 11th CPC Central Committee, our party has formulated a new political line. By the time of the 13th Party Congress, this had formed into a complete basic theory, line, principle, and policy for building socialism with

Chinese characteristics. At present the state of party-building generally matches the party's basic line. However, there are also certain aspects that do not match it sufficiently or at all. Hence, we must step up party-building.

In addition, our party is in a historic time of major change. This major change constitutes a severe test for every party member and is also a test for the whole party. This also requires that we attach still greater importance to party-building.

Again, of all the important things in their work, the most important, in the final analysis, is that the party committees grasp things with two hands, that is, grasp the development of socialist commodity economy with one hand and work in the ideological and political field with the other. The key to the latter lies in promoting party-building.

On the current main tasks in party-building, Pu Chaozhu proposed that it is essential to get a firm grasp of three questions and seriously solve them well: 1) the question of clean government; 2) the question of the party's coherence; and 3) the question of the party's attraction among the masses. He said: In order to properly firm up party-building, the provincial party committee has decided that the province must do a good job in four tasks this year and next:

1. Assign primary place to the party's ideological building. Ideological building is the primary task in party-building. This year, in connection with the education in the situation now being launched, we must conduct reeducation for the party members in the basic theory and line of the 13th Party Congress, along with reeducation in the party's guideline on reform and opening up and education in basic knowledge of the party. Through education, the party members should profoundly understand the necessity of reforms and of the current improvement and rectification, solve problems of ideological method in correctly observing and understanding the situation, strengthen ideological and theoretical preparations for reforms, and also strengthen party spirit, enhance their concept of discipline, play their vanguard and model role well, and curb corruption in the party.

2. Step up building a clean government. We must focus on investigating and handling major and important cases and building clean government systems. [passage omitted]

3. Step up the building of the leadership groups. It is necessary to adopt the guideline of stabilizing, improving, making partial readjustments, and perfecting the structure in carrying out this work. We must also place particular stress on studying and unifying the leadership groups themselves. [passage omitted]

4. Strengthen the building of the party's grass-roots organizations. This means giving scope to the fighting force role of the party branches and the vanguard and model role of the party members. This work is the foundation of party-building. [passage omitted]

Addresses Factory Workers

HK1603075789 Kunming Yunnan Provincial Service
in Mandarin 1100 GMT 15 Mar 89

[Excerpt] According to YUNNAN RIBAO, at a forum attended by some factory directors, held recently in Kunming, provincial party committee Secretary Pu Chaozhu studied some feasibility plans for doubling foreign exchange within 3 years by exporting machinery and electrical appliances with the participants.

Pu Chaozhu pointed out: While improving the economic environment and rectifying the economic order this year and next, the state is unlikely to invest more funds in the production of machinery and electrical appliances as it has to tighten the money supply. We should in no way, by administrative means, force some machinery and electrical appliance enterprises to form a production group, nor should we establish administrative companies in a disguised way. Groups of this kind can only be gradually shaped in joint production and established. The metallurgical industry of our province is now emulating the Lukui Shan experience and following their path. The machinery and electrical appliance industry of our province should be inspired by the drive.

Pu Chaozhu also talked about the issue of updating concepts. He noted that it is necessary to effect change in two aspects. One is to change from product economy to planned commodity economy; commodity economy stresses the market mechanism, equality and mutual benefit, and competition. We are now just in the period of changing from product economy to commodity economy. If we do not update the old concept of product economy, we can hardly invigorate the machinery and electrical industry. The other is to change from the old model of making all enterprises large and all-inclusive to the new model of socialized production characterized by the principle of sharing out work and cooperating with one another. [passage omitted]

North Region

Beijing: Li Ximing Speaks on Democracy

SK1703034889 Beijing BEIJING RIBAO
in Chinese 4 Mar 89 p 1

[Text] Leading cadres should strengthen their sense of democracy and supervision, and should consciously receive supervision from various quarters, including supervision from the Discipline Inspection Commissions of the same level, because these are the essential conditions for exercising correct leadership which will enable them to commit fewer mistakes or not commit

them at all. The above statement was given earnestly by Li Ximing, secretary of the municipal party committee, at the municipal discipline inspection work conference which ended yesterday.

Li Ximing stressed: The Discipline Inspection Commission is a special organ for giving inner party supervision. The party committees at all levels should support and strengthen leadership over discipline inspection work. These types of leadership and support should be mainly manifested in the following:

Listen to work briefings given by the Discipline Inspection Commissions at regular intervals, and care for and support their work.

Leading comrades of the party committees should personally take up the work of investigating and handling major law violation cases, support the Discipline Inspection Commissions to eliminate resistance and to enforce discipline justly.

The party committees should adopt a clear cut stand to protect and support those discipline inspection cadres who have adhered to principles but are obstructed and retaliated by the people.

Leading comrades of the party committees should avoid getting involved personally in discipline violation cases inside the party, and should support the Discipline Inspection Commission to manage things in line with the party principles.

We should support the Discipline Inspection Commissions to criticize, educate, or to give necessary party disciplinary sanctions according to the seriousness of the cases to those party members who have abused their powers and positions to interfere with the work of the Discipline Inspection Commissions, conceal what they know of a case, and refuse to give evidence or give false evidence.

We should care for and strengthen the building of the discipline inspection contingents.

Comrade Li Ximing pointed out: During the previous stage, some units excessively reduced their cadres who took charge of party affairs and this move greatly affected their work. It is necessary to replenish these units in line with the stipulated procedures of the enterprise law. We must select more cadres of higher ranks and working ability to strengthen the discipline inspection organs at all levels.

This conference also relayed the guidelines of the national discipline inspection work conference, and studied and worked out plans for this year's work. At the conference, Meng Zhiyuan, member of the Standing

Committee of the municipal party committee and secretary of the municipal Discipline Inspection Commission, gave a report to review the work of 1988 and give suggestions for future work.

Attending the conference were relevant leading comrades of the central Discipline Inspection Commission; and Duan Yihai and Jin Dezhen, deputy secretaries of the municipal Discipline Inspection Commission; Gan Ying, vice chairman of the municipal Chinese People's Political Consultative Conference Commission; and Lu Yudong, Gao Caisong, Yang Guangzhi, and Liang Xinghan, members of the Standing Committee of the municipal Discipline Inspection Commission.

Attends Political Work Conference

SK1703041089 Beijing BEIJING RIBAO
in Chinese 4 Mar 89 p 1

[Text] The Beijing Municipal political and legal work conference which ended yesterday defined the major tasks for this year's municipal political and legal work. The major tasks are: Further strengthen the party's leadership over the political and legal work, comprehensively improve social security, deal strictly with criminal offenses and economic crimes, and create a good social environment for the 40th National Day anniversary and the Asian games to be held next year.

Li Qiyuan, deputy secretary of the municipal party committee and secretary of the municipal Political and Legal Commission, relayed at the conference the guidelines of the national forum on political and legal work, summed up last year's municipal political and legal work, and worked out plans for this year's municipal political and legal work tasks.

Remarkable achievements were made in the municipal political and legal work last year and social public security was basically stable. During the year, 7,600 criminal cases of various types were handled. The settlement rate was 84.3 percent, an increase of 2.5 percent over the previous year. The internal safety and security work of units was strengthened. The number of criminal cases in municipal plants and enterprises dropped 3.8 percent last year when compared to the previous year. No major cases or disastrous public security incidents occurred in the crucial sections of plants and enterprises.

The conference pointed out: This year the municipality will further strengthen the party's leadership over the political and legal work, mobilize and organize all social forces to comprehensively improve social security, improve and implement the security responsibility system of all localities, departments, and units, and deal strict blows to serious criminal offenses and economic crimes.

In this connection, this year we should actively conduct education on the legal system and public morality, consolidate market and social order, and implement the

agreements signed between the district and county governments and the reform through labor bureaus on helping, educating, and making arrangements for criminals in an effort to prevent them from committing crimes again. It is necessary to strengthen management over the nonnative population. All people who come to Beijing to work in the industry, including the commerce or service industry must be registered. We must deal strictly with serious criminals who are guilty of murder, robbery, rape, grave theft, violence or acts of retaliation. The administrative and law enforcement departments, including the industrial, commercial, tax, auditing, and supervisory departments and customs, should transfer all cases that constitute a crime to judicial departments to be handled by them and further end the wrong practices of imposing fines instead of giving penalties, or giving party and administrative disciplinary sanction instead of criminal sanction.

Li Ximing, secretary of the municipal party committee, and Mayor Chen Xitong attended and addressed the conference. They stressed that under the new situation, we must strengthen the party's leadership over political and legal work, manage social security in line with the law, mobilize all social forces to strengthen the capital's building of the legal system, and create a good social environment for the capital.

Su Zhongxiang, An Lin, Feng Mingwei, and other comrades also attended the conference.

Hebei: Xing Chongzhi's Activities Detailed

Visits Gaocheng County

SK1703021089 Shijiazhuang HEBEI RIBAO
in Chinese 3 Mar 89 p 1

[Text] Despite a heavy spring rain on the morning of 2 March, Xing Chongzhi, secretary of the provincial party committee, went to Gaocheng County, which was designated as a pilot unit of our province for the work of establishing necessary systems for remaining honest in official duty performance, to inspect how the "Two public and one supervision" system had been implemented.

After hearing a report by Zhang Erchen, secretary of the county party committee, Xing Chongzhi said: Exchanging power for money is the major manifestation of corrupt occurrences, which are reflected in different ways at different departments. Some peddlers used their money in exchange for power in the hands of cadres. This is very corrosive. Why is there so much tax evasion? This is because some people carry out the exchange. For example, a person who has to pay 10,000 yuan of taxes gives tax personnel 1,000 yuan privately in exchange for a tax exemption. In this way, he gains the "larger share," tax personnel gain a "small share," and the state suffers the losses. Such an act represents collaboration between

people inside and outside privately, which is difficult to discover, investigate, and handle. Therefore, honesty in official duty performance is a long-term, complicated, and arduous task.

A complicated problem cannot be solved with a simple method. It is very necessary for the county to send a few people to particularly study this problem. More efforts should be exerted in this regard. In establishing necessary systems, we should proceed from reality, and go through a process of continuous practice, summarization, perfection, and continuous upgrading. Only in this way can the systems we establish have vitality. We should not resort to our past practice where several dozen systems were worked out immediately after a study was conducted by a few people. Systems formulated in this way could not stand the test of practice. Besides, nobody intended to test them. They were mapped out only to make a show for higher levels, and they passed by like a puff of wind.

The "Two public and one supervision" system is a good method for remaining honest in official duty performance. However, to thoroughly solve problems, we should have numerous methods and tackle problems comprehensively through "five methods." Take family planning. Economic sanctions alone cannot solve problems. Here you impose a fine of 2,000 yuan for the birth of one above-quota child. This cannot restrict many people. Individual business households would not mind this because they are willing to buy children with money. As a result, the penalty system is implemented, the population grows, and multiple births become legal. The purpose of family planning cannot be attained in this way.

Xing Chongzhi urged Gaocheng County to continue experimenting with the work of establishing necessary systems for remaining honest in official duty performance, gradually carry out the work in more areas, and continuously improve and intensify it to achieve the goal of "prosperity in the economy, and cleanliness and honesty in politics." He urged that the work should be carried out in a sincere manner instead of rashly in order to avoid formalism.

Comments on Supervision

SK1703040089 Shijiazhuang HEBEI RIBAO
in Chinese 5 Mar 89 p 1

[Excerpts] Focusing on implementing the principle of improving the economic environment, rectifying the economic order, and comprehensively deepening reform, supervisory organs at various levels should strengthen supervision and inspection, actively wage anticorruption struggles emphasizing honesty in performing official duties, and bring our province's administrative supervision up to a new stage. This was a call issued by Xing Chongzhi, secretary of the provincial party committee, and Yue Qifeng, provincial governor, to cadres of supervisory organs throughout the province at the provincial supervisory work conference on 4 March.

The conference opened on 2 March, and concluded on the afternoon of 4 March. Provincial leading comrades issued certificates of commendation to seven advanced supervisory units, including those in of Baoding City and Handan Prefecture. [passage omitted]

Xing Chongzhi pointed out in his speech: Despite the situation in which the commodity economy is developing, and the scope and scale of commodity exchanges are expanding every day, the administrative behavior, market behavior, and enterprise behavior have not been strictly standardized through the form of law. Reform has brought more and more economic activities onto the orbit of the market, but government departments still hold considerable power over material distribution, fund control, product prices, and personnel management. Under such circumstances, the administrative mechanism and the law of value perform their functions simultaneously, but they still have yet to discover the orbits they should follow. This enables a small number of people of the departments which exercise state power and manage public utilities to abuse their power to engage in extortion, embezzlement, and bribery and even become corrupt. In other words, they are exchanging power for money. This is the major manifestation of the current corrupt deeds of the personnel of government organs.

Xing Chongzhi said: Although the corrupt occurrence of bribe taking, embezzlement, and extortion have emerged only in a few party member cadres of some units and departments, they exert very vicious influence, seriously ruin the image of the party and government, and discredit reform and opening up. Such problems should be and can be solved. Party committees and governments at various levels should place honesty in official duty performance high on their agenda, and administrative supervisory organs should all the more regard it a most important task to oppose embezzlement and bribe taking, and remain clean and honest. The dual nature of the commodity economy decides that only when legal and administrative supervision is exercised, can the benefits of the commodity economy be developed, its defects be abolished, and its development and operation become sound.

Xing Chongzhi urged all administrative supervisory organs and other law- and discipline-enforcing departments throughout the province to remain honest in enforcing laws, be brave in tackling difficulties, have a firm and clear cut stand, and have the courage to check various corrupt deeds, eliminate the "web of unprincipled connections," and resist the "trend of interceding."

Ye Liansong, Standing Committee member of the provincial party committee and provincial vice governor, presided over the conference. Attending were provincial leading comrades, including Wang Dongning, Hong Yi, Zhang Runshen, and Du Jingyi.

Sees Off Party Delegation

SK1503063589 Shijiazhuang HEBEI RIBAO
in Chinese 2 Mar 89 p 1

[Text] At the invitation of the industrial and commercial circles of Spain and France, a six-member Hebei Provincial economic and technological delegation led by Lu Zhuanzan left Shijiazhuang City on 1 March for visits to Spain and France. Leading comrades of the provincial party committee and government, including Xing Chongzhi, Li Wenshan, Yue Qifeng, Chen Yujie, and Song Shuhua, and responsible persons of relevant departments, saw the delegation off. The purposes of the visits are to strengthen economic and technological cooperation with Spain and France, to discuss economic projects, and to import technology and personnel.

Inner Mongolia: Wang Qun Attends Trade Forum

SK1503124389 Hohhot NEIMENGGU RIBAO
in Chinese 1 Mar 89 p 1

[Text] We should fully understand the strategic importance of foreign trade work in the accomplishment of the four modernizations and the economic development of Inner Mongolia. While making efforts to improve the environment, rectify the order, and deepen reform, we should carry forward pioneering spirit, seize favorable opportunities, and overcome difficulties to further open Inner Mongolia, strive to overfulfill the tasks for earning foreign exchange through export, and achieve a stable growth in the foreign exchanged earned from export. This was a call concerning our region's foreign trade work for this year issued by leading comrades of the autonomous region, including Wang Qun and Bu He, at a regional economic and foreign trade work conference held from 20 to 25 February.

Comrade Wang Qun said: Great achievements were scored in the foreign trade work in 1988. Exports totaled nearly \$300 million, showing a 29-percent increase over the preceding year. The fairly large stride we have made will play an important role in developing Inner Mongolia. In view of this year's great difficulties and many problems in foreign trade work, such as problems in fund supplies, prices, and transportation, Comrade Wang Qun urged: We should note both the difficulties and the favorable conditions, develop our subjective initiative, face up to difficulties, and continue to make progress. Inner Mongolia should be further opened. The endeavors of improvement, rectification, deepening reform, and opening up are consistent with the efforts to achieve development. The endeavors of improvement and rectification do not indicate regression. Instead, these endeavors aim to achieve better and healthy development. The international situation has changed from one of confrontation to one of detente. With the better political situation, the economy and trade can be greatly developed. We must seize this opportunity for great development. Some of our commodities have competitive edges in the world market, and we should strive to earn from foreign exchange. With regard to sources of

funds, we should: 1) Avoid keeping too much goods in stock in order to accelerate turnover of funds; 2) encourage state enterprises to buy stocks and make investments; 3) make foreign businessmen to pay for some goods in advance on the basis of mutual benefit; 4) promote the cooperation and association of agricultural banks, supply and marketing cooperatives and foreign trade departments, and adopt the method of transferring accounts within themselves to reduce circulation of funds at intermediate links, while allowing industrial and commercial departments to participate in the cooperation. To deepen reform, we should uphold the criterion of productive forces, and take foreign exchange earning as the criterion for judging the performance of foreign trade enterprises; summarize and learn from the experiences of areas both inside and outside the region in cooperation and opening up; and conduct study on the foreign trade policies of other provinces and municipalities, on ways to enhance enterprises' ability for self-development and sustained growth, and on the distribution within enterprises. We should actively cultivate and expand our region's contingent of economic and foreign trade workers and establish a contingent of foreign trade workers who know foreign languages and modern economic management, who have lofty ideals and moral characters, and who abide by discipline so as to meet the need in foreign trade development.

Comrade Bu He pointed out: This year, our region should achieve great development in foreign trade, especially border trade. However, we should develop them in an orderly manner instead of rushing headlong into mass action. We should cooperate with the entire country to develop joint investment, cooperative and joint management production, both at home and abroad, and ensure that production is developed when trade is developed. We should exert more efforts in the trade and economic and technological cooperation with the Soviet Union, Mongolia, and East Europe, but never slacken efforts in other trade. Based on the development of the situation, we may open some other small trade outlets and thoroughfares in addition to the two outlets of Manzhouli and Erenhot in a planned and orderly manner. The purpose of earning foreign exchange is to import advanced technology and equipment to promote the technical transformation and technological progress of the autonomous region. We should broaden our field of vision in this aspect, and attract more businessmen from abroad and other areas of the country to invest and establish plants in our region.

Qian Fenyong, Wen Jing, and Liu Zuohui, leading persons of the autonomous region, also gave important opinions at the conference.

The regional economic and foreign trade work conference summarized last year's experiences in earning foreign exchange through export, studied emphatically the specific measures for fulfilling this year's tasks, and

worked out plans for the work for the whole year. The participants were fully confident that the task of a 33.79-percent growth in foreign exchange earning over last year would be fulfilled.

Northeast Region

Heilongjiang Governor Outlines '89 Work Tasks
SK1503074489 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 13 Mar 89

[Text] The provincial People's Government held its fifth plenary meeting this morning to work out plans for implementing the various tasks set forth in the government work report to the second session of the seventh provincial People's Congress. At the meeting the need to divide and assign the targets to various departments under the responsibility system in order to achieve good results was stressed.

Provincial Governor Shao Qihui spoke at the meeting. Provincial Vice Governors Chen Yulin and Dai Moan also spoke respectively on the province's current situation in fund supplies and on spring farming preparations.

Provincial Governor Shao Qihui pointed out: The provincial government work report approved at the second session of the seventh provincial People's Congress has a legal effect and efforts should be exerted to ensure its implementation.

He said: At the second session of the seventh provincial People's Congress, many deputies said that though the report was very good, they questioned its feasibility. From this, we can see that the people are really worried about the fact that people's governments often failed to implement what they had planned.

Shao Qihui called for efforts to ensure that people are responsible for each year's government work task, and that all the tasks are fulfilled. Not only should work tasks be set forth, but also work targets, realistic measures, time limits, and requirements on work efficiency should be worked out.

He said: The tasks set forth in the report can be roughly divided into some 140 targets in 10 areas. These targets should be assigned to various departments for attainment under the responsibility system, and the departments should then work out more specific and clearer plans for implementation on the basis of the targets assigned them by the provincial government. These plans should be submitted to the provincial government as a basis for a year-end inspection on work efficiency.

Shao Qihui stressed the importance of enhancing the sense of service and changing work styles. He said: Not long ago, I criticized leaders and government personnel of some departments for doing nothing but discussing doctrines, and engaging in empty talk despite difficulties. Some cadres, and even responsible cadres, on the

one hand, shouted that the situation was difficult, shifted the blame of emerged problems onto higher or lower levels, and constantly asked higher levels for help, and on the other, made no attempt to do the work that can and should be done, and the work they were responsible for, and thus missed the opportunity for solving problems and, in the process, made them difficult and adversely influential.

He stressed: Cadres of government organs, especially leading cadres, should keep the major works in mind, and do more practical work. They should not merely pay lip service, or make thoughtless remarks about those who do the work.

He said: From now on, the criterion for assessing cadres should be their actual work performance instead of their slogans.

Liaoning: Quan Shuren Attends Congress Close

SK1503072589 Shenyang Liaoning Provincial
Service in Mandarin 13 Mar 89

[Text] After satisfactorily fulfilling all items on the agenda during the 7-day session which had an atmosphere of democracy, unity, and harmony, the Second Session of the Seventh Liaoning Provincial People's Congress ended at the Liaoning People's theater this afternoon through the joint efforts of all deputies.

During the congress, the deputies of various nationalities from all localities and various fronts throughout the province, with a spirit of being greatly responsible for the people, conscientiously discussed the government work report and other reports, freely aired their views, offered ways and means, and exercised their duties entrusted upon the people's deputies by the Constitution and the law.

Wang Guangzhong, chairman of the provincial People's Congress Standing Committee, presided over the session. He said: This congress session has correctly analyzed the situation, comprehensively summed up the work of the past year, affirmed the achievements in a strict manner and earnestly pointed out the existing difficulties and problems, analyzed the favorable conditions for fulfilling all tasks for this year and the unfavorable factors, clearly defined the guiding ideology, major tasks, and measures for this year's work, further unified thinking, enhanced spirit, and strengthened confidence. To fulfill all resolutions and tasks put forward by this session, we required not only the conscientious efforts of all state organs to implement these resolutions and tasks but also the joint efforts of the people of various nationalities throughout the province to work with one heart and one mind, to pool their wisdom and strength, to live plainly and struggle arduously, and to overcome all difficulties. After this session, we hope that all deputies will display their role as models and bridges, conscientiously publicize and implement the resolutions of this session, implement the congress spirit in all your work,

strive to advance the building of the material and spiritual civilizations to a higher level, and greet the 40th anniversary of the founding of the country.

The congress session adopted the resolution on the Liaoning provincial government work report, a resolution on the report concerning the implementation of the 1988 Liaoning provincial plans and concerning the 1989 plans, a resolution on approving Liaoning province's 1988 financial accounts and the 1989 financial budget, a resolution on the work of the Standing Committee of the Liaoning provincial People's Congress, and a resolution on the reports of the Liaoning provincial Higher People's Court and of the Liaoning provincial People's Procuratorate.

The executive chairmen of today's session were Quan Shuren, Dai Suli, Wang Guangzhong, Wang Julu, Zhang Tiejun, Lou Erkang, Tang Hongguang, Gu Jingxin, Feng Yousong, Zhang Zhiyuan, Cui Ronghan, Zuo Kun, and Cheng Jinxiang.

Also attending this session as observers were Guo Feng, Li Changchun, Sun Qi, Song Li, Hu Yimin, and others.

The session ended amid the majestic playing of the Internationale.

Northwest Region

Gansu Governor Outlines '89 Work Report

HK1603122689 Lanzhou GANSU RIBAO in Chinese
28 Feb 89 p 1

["Summary of Provincial Government Work Report"]

Strengthen the Agricultural Foundation, Promote Grain Production

While dealing with the main tasks of the government work in 1989, Governor Jia Zhijie said that it was necessary to strengthen the agricultural foundation and momentum in agricultural development and to try in every possible way to promote grain production.

He said that to promote grain production, 1) It is essential to continuously implement the preferential policies of developing grain production which had been formulated by the provincial party committee and provincial government, to suitably increase the purchasing price of grain by order, to adhere to the measures for "three ties" and "five contracts," and to arouse the peasants' enthusiasm for cultivating grain. 2) It is imperative to increase the agricultural input. This year, apart from striving for special subsidies, including the state loans, whose interest is paid in the form of a deduction, for the construction of "Two Xi's" [Dingxi and Hexi Regions in Gansu Province], for development funds, and for helping the poor and apart from striving for the loans of the World Bank, the agricultural input from the local finances will increase by some 62 million yuan, 31 million yuan of which will be from the finances at the

provincial level. Of these funds, 41 million yuan will be used to develop production. A large number of the AID-agriculture enterprises, including chemical fertilizer plants, are to be built, expanded, and modified in a planned and specific way and peasants and agricultural production units are encouraged to pool their money to buy shares. While applying additional chemical fertilizers, we must develop green manure and collect and make farm manure. 3) It is necessary to popularize science and technology for agricultural production, to put the agricultural technological service structure on a sound basis, to do well in grasping all forms of the contracts for scientific and technological work, and to popularize all sorts of effective and high yield farming technology. The plastic sheet covered area is to be expanded to 113,000 hectares, high yield crop area to 620,000 hectares, and strip cropping and interplanting area to 340,000 hectares. 4) Agricultural capital construction with soil improvement and the regulation of rivers and watercourses as the center must be carried out, paddy fields increased by 11,000 hectares, and "three fields" built by 50,000 hectares.

It Is Necessary To Strengthen the Building of an Honest Government and To Improve Government Work

In his report, Governor Jia Zhijie pointed out that under the conditions of reform and opening up, whether or not our governments at all levels could govern honestly was a question of which all people throughout the province were deeply concerned about. This year, we must promote the building of an honest government in the following several phases:

First, step up anticorruption education. Education in simple living, hard struggles, and building up the country with industry and thrift must be conducted and the work style of being honest in performing official duties and remaining uncorrupted should be established among all working personnel of the state organs. We must overcome bureaucratism, improve our work style, enhance our efficiency, strengthen the sense of discipline, and ensure the strict enforcement of orders and prohibitions. Leading cadres' anticorruption rules should be formulated and carried out one by one. A democratic life meeting should be held regularly for the purpose of comparison and examination.

Second, establish a sound system of democratic consultation and supervision and strengthen the transparency of government work. Democratic consultation must be carried out before an important policy decision is made and the government affairs and activities made known to society through the news media. We must conscientiously accept supervision by people's congresses and CPPCC committees at all levels, democratic parties, and people's organizations.

Third, make the system and results of work known to the public and rely on the masses' supervision. In the first half of this year, a pilot project of "Making two things

known to the public and supervising one thing" is to be first carried out in 14 cities and counties, including Lanzhou, Tianshui, Baiyin, Jinchang, and Jiayuguan. We must begin with the "hot points" for which the masses have shown the greatest concern and begin with the links where the problems of corruption are most likely to arise. The provincial authorities must send out anticorruption work groups to help the experimental units, do their utmost to carry out the pilot project in 1/3 of the counties and districts this year, and popularize it throughout the province next year.

Fourth, establish and perfect the reporting system and reporting, investigation, handling, and publicity "merge into an organic whole." The provincial government must set up a telephone and a letter box for anticorruption reports. When government workers are corrupt, all people can inform and expose them through a reporting center and the Procuratorial Department must seriously investigate and handle these cases and at the same time, investigate and affix the responsibility of the leaders of the unit, in which those reported are working, for neglect of their supervisory duties.

Fifth, strengthen the building of the procuratorial organs and their functions and give them prestige. It is essential to establish procuratorial organs at all levels, to put them on a sound basis, and to reinforce the procuratorial teams by supplementing the teams with cadres who adhere to principles, are impartial and upright, have high policy standards, and who do good work.

Sixth, speed up the formulation of the administrative regulations and step up economic supervision and auditing work. Centered on the improvement of the economic environment and rectification of the economic order, all kinds of auditing work and administrative supervision must be unfolded, all types of cases dealt investigated, the unhealthy trends in the economic sphere, particularly the circulation sphere, investigated and handled, financial and economic discipline upheld, and operation and management improved.

It Is Essential To Resolutely Adopt Vigorous Measures To Really Step Up Price Control

While dwelling on the government work this year in the government work report, Governor Jia Zhijie emphatically pointed out that the price problem was not only a serious economic problem, but also a political problem. We must resolutely adopt serious measures to really step up price control.

Jia Zhijie said that to really step up price control, 1) a price index control target responsibility system was to be implemented throughout the province, the principal leaders of governments at all levels were to hold them responsible for this work, and the work done by leading cadres at all levels in this aspect would be assessed as one of their achievements. The range of the increase in the retail price index of commodities of our province this

year is 3 to 5 percent lower than last year. 2) Regarding the state fixed flat prices of commodities, we must strictly enforce the state fixed prices, but not raise them without authorization. As for the products within the province, if their prices need readjustment, it is imperative to strictly act according to the regulations on reporting and approval, to exercise unified leadership, and to implement the system of examination and approval with "one pen" but multiheaded examination and approval and price fixing are not allowed. If the prices of the commodities allotted from other places outside the province need readjustment, we must also report the readjustment to the price department at the same level for approval and strictly exercise control according to the difference between the purchasing and selling prices. 3) Intermediate links must be reduced, exploitation by middlemen must be banned, and the number of wholesale links in the same city must not exceed two. The retail units shall not sell by wholesale and retail at a price higher than the retail price. 4) In price control, stress must be placed on controlling the prices of people's daily necessities and the means of production for agricultural use.

The prices of people's daily necessities must be controlled; the production, supply, and marketing links must be specially supervised and controlled; and the enterprises, which produce these products and incur losses due to the increase in the prices of their raw materials, must be given necessary subsidies from the financial revenue and shall not shift the burden onto the consumers. Regarding the means of production for agricultural use, including chemical fertilizers, agricultural plastic sheets, agricultural chemicals, and diesel oil, the regulations governing monopoly must be strictly enforced, price supervision and inspection stepped up, and indiscriminate and disguised price increases strictly prohibited. 5) A price supervision and inspection network must be set up from the upper to lower levels throughout the province, the role of the consumer associations and all mass price supervision organizations with the professional price inspection teams as the backbone elements fully brought into play, regular supervision and inspection carried out and systematized. 6) Reporting telephones and reporting letter boxes must be set up, fixed price inspection posts set up in the large commerce and trade centers and agricultural and trade market, and inspection conducted from place to place all the year round. 7) As soon as a case of the violation of price discipline, unauthorized price increases, and disguised price increases is discovered, it must be immediately investigated, and if it is serious, it must be handled in public. All shops and street pedlars must do business with price tags displayed to facilitate supervision. 8) Price control must be stepped up, the price management organs put on a sound basis, the price control teams reinforced and supported where funds and working conditions permit.

Strengthen Nationality Solidarity; Develop the Nationality Economy

In his report, Governor Jia Zhijie stressed that governments at all levels must treat the nationality work as an important matter which has a bearing on the overall political and economic situation.

Governor Jia Zhijie pointed out that in addition to the further implementation of the "Law of regional autonomy of minority nationalities," it was necessary to speed up the economic development of the regions of minority nationalities. With raising economic results as the center and with thousands of families being lifted out of poverty as the starting point, we must integrate state assistance with self-reliance and economic development with social development and in line with local conditions, give play to the strong points, lay particular emphasis on each of them, and ensure comprehensive development. The regions of minority nationalities are to further strengthen their own self-development and really control and use all aid well. Through the diligent labor and hard work of the people of minority nationalities, the strong points of resources and preferential policies are brought into play. It is essential to continuously explore the form of converging the education of the primary schools for herdsmen's nonresident students with that of the boarding primary schools and the pattern of integrating vocational and technical education with fundamental education at an early stage. People of all quarters, including members of the upper strata of nationality religious circles, are encouraged to engage in education. In pastoral areas and mountain areas where minority nationalities live in compact communities, it is imperative to make efforts to lift one illiterate person out of illiteracy in each family in the first step, to guarantee that there is one primary school graduate in each family in the second step, and to popularize primary education in the third step. It is necessary to regularly and deeply conduct education in the party's nationality policies and in nationality solidarity within the whole province and to pay attention to eliminating the factors disadvantageous to nationality solidarity. It is imperative to continuously and regularly examine the situation in the implementation of the nationality policies, to promptly solve the problems once discovered, and to resolve the contradictions in their embryonic stage.

Xinjiang: Dawamat Stresses Discipline Inspection
HK1203055789 Urumqi Xinjiang Regional Service
in Mandarin 1230 GMT 11 Mar 89

[Excerpts] Tomur Dawamat, deputy secretary of the regional party committee and chairman of the regional people's government, stressed in a speech at the regional discipline inspection work conference, which concluded today: The discipline inspection organs and cadres at all levels must work with a high sense of political responsibility in doing a good job of the party's discipline

inspection work in the new situation, to make new contributions to improvement, rectification, deepening the reforms, and building clean government. [passage omitted]

Tomur Dawamat said: At present we must give priority to stepping up education in party discipline and continually enhance the whole party's concept of discipline. All party members must strictly observe law and discipline. We cannot allow the existence of party members who are not constrained by discipline. Anyone, no matter who, violating party discipline will be subject to disciplinary sanctions, to the extent of being expelled from the party.

Tomur Dawamat pointed out: In improving party style, we must get a good grasp of the cardinal link, that is, keeping the party and government organs clean and opposing corruption. The party committees and government at all levels must further enhance ideological understanding and get a thorough grasp of building clean government. The discipline inspection organs and administrative supervisory organs must divide the work and cooperate in regarding cracking down on graft as the focal point in building clean government at present and in seriously investigating and dealing with violations of law and discipline in this respect. Corrupt elements must be purged from the party. We must absolutely not indulge them. [passage omitted]

Martial Law in Lhasa Termed 'Necessary'
OW1203193689 Beijing in Mandarin to Taiwan
0205 GMT 12 Mar 89

["Rambling Talk on Current Events" program hosted by Wen Liang]

[Text] Dear listeners and friends: From 5 to 7 March, a handful of Tibetan separatists staged the largest riots in recent years in Lhasa, which posed a serious threat to the security of the lives and property of the Tibetan people. In order to maintain public order, protect the personal safety of citizens and their property, and ensure the inviolability of public property, Li Peng, premier of the State Council, signed a State Council order on 7 March proclaiming the enforcement of martial law in Lhasa, Tibet, in accordance with the stipulations provided by Clause 16 of Article 89 of the Constitution of the PRC. The order states that martial law will be enforced in Lhasa City beginning at 0000 on 8 March 1989, and that the Tibet Autonomous Regional People's Government is responsible for organizing and enforcing martial law and is authorized to take specific measures toward enforcement as required by the actual situation.

In accordance with the State Council's order to enforce martial law signed by Premier Li Peng, Doje Cering, chairman of the Tibet Autonomous Regional People's Government, issued orders Nos 1, 2, and 3 of the autonomous regional people's government in both the Tibetan and Chinese languages via a television program at 2000 on 7 March. The orders separately provide strict regulations on areas and sections in which a curfew is imposed, gatherings and rallies allowed during the period of martial law, firearms control, and traffic control.

Our listeners will no doubt be concerned about this issue. I would like to discuss some of my personal views.

Listeners: As far as I can remember, this is the first time that the State Council has issued an order proclaiming the enforcement of martial law in a particular region during the 40 years since the founding of New China. There has never been any such precedent in the past. Why did the State Council have to take such a drastic measure? Has the development of the situation in Lhasa gotten out of control? According to my understanding and analysis, the problem is not so serious yet. I think the State Council's order to enforce martial law in Lhasa indicates two points.

First, it fully expresses the decision of the central government to resolutely safeguard national unity and oppose any attempt to split the motherland and plot for the independence of Tibet. As everyone knows, in Tibet there are a handful of separatist elements who have always tried to split Tibet from the motherland in order to found a so-called independent state of Tibet. To attain this goal, they stage premeditated riots to create incidents. During the Lhasa riots from 5 to 7 March, a handful of separatists got hold of a paper flag of the snow

mountains and lions, which symbolizes independence, madly shouted the slogan of independence for Tibet, and staged unlawful demonstrations. They screamed, cursed, and coerced the masses to join them by threats. At last, these separatists surprised local public security police stations and service stations, surrounded and assaulted public security personnel, attacked government organizations, smashed their signboards, and burned their buildings. During the recent unrest, rioters openly used firearms for the first time to shoot at public security personnel and armed policemen. Three armed policemen were wounded by firearms. One was killed. According to information provided by the departments concerned, some of the firearms used by the rioters were smuggled into Lhasa from abroad. I think that under the circumstances, it is absolutely necessary and to the point that the State Council issued the order to enforce martial law in Lhasa for the purpose of suppressing the activities of a handful of separatists who defy laws both human and divine, and also for the purpose of safeguarding national security and unity.

Second, I think the State Council's order to enforce martial law in Lhasa is necessary for maintaining public order, safeguarding peace and tranquility in society, and protecting the lives and property of Lhasa people. During the recent Lhasa unrest, rioters brought danger and harm to the lives and property of Lhasa people. They ran wild—indulging in beatings; vandalizing hotels, restaurants, schools, and hospitals; looting; and setting fire to grocery stores and even civilian houses. When firefighters rushed to the sites to put out the fires, rioters set up roadblocks to hinder their work and opened fire on them and threw stones. Ten firefighters were wounded. Two of them suffered critical injuries. Moreover, rioters chased and beat passerbyers. Many of them were beaten until their faces were covered with blood; some had their ears ripped off. Stores, schools, and organizations were forced to close and people dared not go out into the streets. After the State Council's order to enforce martial law in Lhasa was promulgated, people spread the word. Their brows, which had been closely knit in the past 3 days, became smooth again. They expressed support for the State Council's decision, praising it as representing the fundamental interests of the Tibetan people. Some people said that rioters saw the self-restraint exercised by the government a few days ago as softness and weakness and, therefore, the government was liable to being bullied with impunity. People said that rioters should be controlled. Some said that the order to enforce martial law was issued at a good time and that the government should take a firm stand whenever necessary.

Facts have proven that the State Council's decision is necessary and correct. Since martial law has been enforced in Lhasa, the riots staged by a handful of separatists have been checked. Peace and tranquility has been restored in Lhasa, and the security of people's lives and property placed under effective protection.

Dear listeners: Here we cannot help but touch on the issue of human rights. Some people, both in China and

abroad, talk a great deal about the so-called human rights issue, and have directed their criticisms against the mainland in recent years. One important content of their topics is the so-called Tibetan issue. Summing up the above, we can see that the Tibetan issue is not a human rights issue at all. It is, instead a handful of separatists who want to openly split the motherland and bring about independence for Tibet. Their activities are resolutely opposed by the government of the motherland and our people of all nationalities, including both the monks and laymen in Tibet. What deserves our vigilance is the fact that their activities are more often than not supported by some foreigners. These people use the so-called human rights issue as a pretext to bolster and encourage the separatists. They interfere in the internal affairs of our country and infringe on China's sovereignty. Obviously, they have ulterior motives on their minds. Speaking of human rights, people have every reason to call these gentlemen to task for not condemning or opposing the incidents and riots deliberately stirred up by the separatists, who indulge in beating, smashing, looting, and incendiarism, cause extremely great danger and harm to Tibetan people's lives and property, and seriously infringe on the human rights of the broad masses of Tibetan people, when all they ever think of and speak of are human rights. Why, instead, do they highly praise and protect the separatists who seriously infringe on human rights? In particular, it is necessary to point out here that there is something behind the Lhasa riots. The evidence which has been uncovered shows that the Lhasa riots were planned by a separatist clique abroad. The separatists abroad not only sent their people into Tibet to plot riots, but also sent people to smuggle firearms across the border into Tibet. After the riots occurred, they called on foreign nations to interfere in the so-called human rights issue in China. How hypocritical they are! If we want to talk about human rights, very well. It is these splittists who practiced the most cruel serf system in Tibet in the past. Now they seriously trample on human rights by indulging in beating, smashing, looting, and incendiarism.

Here, I would like to say a few words to the Kuomintang [KMT] authorities on Taiwan. It is my opinion that the KMT and the CPC may hold different political views and stands. However, their stands on such a major issue of principle concerning safeguarding the unity of the motherland and opposing the separation of our nation should be identical because both sides, after all, are Chinese. The KMT authorities on Taiwan frequently forgot the cardinal principle of the righteous cause of upholding national unity on certain issues in the past because of the anti-communist stand they have consistently adopted, turning anti-CPC into anti-China. It is hoped that this time they will not take a wrong stand and make a mistake once again in dealing with the incident of the riots stirred up by the handful of splittists in Lhasa.

CPC Rejects Taiwan's 'Elastic Diplomacy'

HK1603131089 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0913 GMT 16 Mar 89

[Report by special correspondent He Fang (0149 2455): "The CPC Holds That 'Elastic Diplomacy' and 'Dual Recognition' Pursued by the Taiwan Authorities Are Detrimental to China's Peaceful Reunification"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, 16 Mar (ZHONGGUO TONGXUN SHE)—The CPC has expressed discontent with the "elastic diplomacy" and "dual recognition" pursued by the Taiwan authorities, asserting that this move is by de facto creating "two China's" and "one China, one Taiwan," which is detrimental to China's peaceful reunification.

Prior to the convocation of the Second Session of the Seventh National People's Congress [NPC], this reporter visited relevant departments in Beijing to discuss the relations between both sides of the Taiwan Strait. According to the account given by some people, remarkable changes have taken place in relations between both sides of the strait. They are manifested in the following: The initial change effected in the abnormal situation of long-term confrontation and separation and the increasing number of economic, cultural, and personal exchanges between the two sides. The Taiwan authorities have adopted some measures to ease the tense relations between the two sides. However, they have stuck to their anti-communist stand and have refused reconciliation. Recently, they have stepped up pursuing their "elastic diplomacy" and "dual recognition." They are, de facto, creating "two China's" and "one China, one Taiwan." This runs counter to the fundamental interests and aspirations of the compatriots on both sides of the strait. At the Second Session of the Seventh NPC, an official disclosed in private, the CPC will reiterate its stand of opposing all speeches and acts that may lead to independence and separation of Taiwan and will unswervingly adhere to the principles of "Peaceful reunification and one country, two systems."

It has been reported that the mainland authorities "have placed their hopes on the Taiwan people as well as the Taiwan authorities" and have expressed their willingness to maintain contacts with the Taiwan authorities and the people of all walks of life to consult on state affairs and the reunification issue. The CPC also hopes that the Taiwan authorities will give up their "three no's" policy and allow the people on both sides to openly, directly, and lawfully carry out the "three establishments" policy and promote cultural, sports, scientific, technological, and academic exchanges. Meanwhile, Taiwan's economic circles are welcomed to make investments, set up factories, and run all kinds of businesses in the mainland which will help increase economic cooperation and trade contacts between the two sides, benefit each other, and develop the national economy.

Editorial on Bush's 'Far-reaching' PRC Visit
OW1503152189 Taipei LIEN HO PAO in Chinese
2 Mar 89 p 2

[Editorial: "Three Points Related to the 'Taiwan Question' From Observing Bush's Peiping Trip"]

[Text] U.S. President Bush's trip to Peiping, although a brief 40-hour "working visit," will have a far-reaching influence on the course of future international relations, the political development within the Chinese Communists, and interrelations between the two sides of the Taiwan Strait. As Teng Hsiao-ping said: "China formulates its domestic and foreign policies according to its fundamental interests. We neither play any card nor take measures of expediency." Obviously the Chinese Communists wanted to take the good opportunity of President Bush's visit to effectively state their "fundamental interests" through their independent character and, in particular, through their uncompromising firm attitude toward the question of human rights on the mainland and the "Taiwan question." In our view, judging from the statements concerning the "Taiwan question" made by both the United States and the Chinese Communists, or from those intentionally made by either side, President Bush's latest visit to Peiping has produced new variables and had a great impact on our country's current domestic and foreign policies, which we must assess seriously and cautiously. The impact includes the following three dimensions: 1) implication to the domestic political development; 2) strategy for relations with foreign countries; and 3) interrelations between the two sides of the strait.

1. As far as the implication to our domestic political development is concerned, the Chinese Communists used President Bush's visit to unequivocally express their deep concern over the proliferation of the concept of "separatism" in Taiwan's political development. What prompted the Chinese Communists' concern had to do partially with the United States. During a working meeting between the two sides, Chinese Communist Premier Li Peng told Bush that some people in the United States were trying to influence the Chinese Communist policy toward the Taiwan question, and that should they act on the order of the U.S. Government officials, it would cast a shadow over the existing friendly relations. A report released by the Chinese Communist official news agency after the meeting said that President Bush opposed separatist activity on the island. Although LIEN HO PAO said in its analysis yesterday that whether or not Bush's remark needed to be further verified, one point is clear; that is, at least, the Chinese Communists wanted Bush to understand that the United States should not stand in the way of their opposition to separatist activity on the island, and still more they cannot tolerate any U.S. support for the Taiwan separatists. Since this year will be a critical period in Taiwan's political development, which will be focused on the form

of appeal of political parties, the Chinese Communists do not want any political party to flaunt the banner of separatism in violation of the "one China" policy.

The Chinese Communists have a clear-cut and consistently firm stand in their domestic and foreign policies regarding "separatism." On the one hand, they have repeatedly warned Taiwan that they will not hesitate to use force to counter any activity for Taiwan's independence. On the other hand, in order to pave the way for international support for and international noninterference in their use of force in the future, they have admonished the countries concerned not to support separatist activity on the island. Therefore, those who are engaged in political activities in our country should constantly analyze the Chinese Communists' reports on the current political development on the island, while the public should more seriously consider the current political development's best interests for our country.

2. The Chinese Communists have reacted strongly to the flexibility demonstrated in our country's current diplomatic strategy. Judging from the reports on Chinese Communist Foreign Minister Chien Chi-chen's recent visit to the United States, our country's intention and active efforts to return to international organizations is against the principle of "one China." To the Chinese Communists, our country's diplomatic activities have always received indirect support from the United States. Therefore, during the working meeting, President Bush publicly stated that the United States would firmly pursue a one China policy and continue to abide by the principles laid down in the three "joint communiques." Bush's statement, which sounded very much familiar, confirms that the Bush administration's China policy will be a continuation of the Reagan administration's policy. Within the scope of this policy, the United States shall find the legal basis for dealing with the Chinese Communist reaction to any move of the United States.

Since the Chinese Communists are strongly against any expression of the ideas of "One China, One Taiwan" or "Two Chinas," we can see that there are still many problems for our country to participate in international organizations as far as the name is concerned. If we do not make any breakthrough in the use of the name of "China Taipei," then it is very unlikely for us to attend the annual council meeting of the Asian Development Bank scheduled for May in Peiping. Therefore, we maintain that in the face of the Chinese Communist strategy, the government should be prepared to participate in the meeting and formulate the ultimate policy decision accordingly so as to acquire a greater room for maneuvering and give prominence to the significance of our existence. On the other hand, Sino-U.S. relations have developed to the fullest extent possible under the Taiwan Relations Act, and President Bush's visit to the mainland further indicates that it is an extremely correct direction for our country, in the course of implementing a flexible and substantial diplomacy, to open up another

space for maneuvering in addition to Sino-U.S. relations. The NT [new taiwan dollars] \$30 billion of "Overseas Economic Cooperation and Development Funds" under our planning is of positive significance in terms of assistance to developing countries. On top of this, the plan of assisting the East European countries in their economic development, which has just been announced by the government, is another breakthrough which deserves our full support.

3. Regarding the interrelations between the two sides of the strait, President Bush has clearly stated that "the United States is now following and in the future will continue to follow with interest the peaceful resolution of their differences by the Chinese themselves." In other words, the United States will not act as a mediator in the relations between the two sides of the strait. In fact, previous experiences show that the Chinese Communists always regard the relations between the United States and Taiwan as an obstacle to China's reunification. But when they want the United States to support the "One China" policy, they hope that the United States will take concrete actions to promote the grand cause of reunification of the two sides of the strait. Therefore, we should carefully observe the attitudes of the United States and the Chinese Communists toward the interrelations across the strait. Judging from the fact that President Bush managed to show his concern for human rights on the mainland during the brief 40 hours, we have reasons to believe that he will not yield to the Chinese Communist pressure and harm the rights and interests of the Government and people of the Republic of China.

President Bush's Peiping visit has brought us some expectations:

1. In order to improve the quality of international human rights, the United States has followed with interest the situation of human rights in all places. We welcome this. However, we do not want the United States to get involved in actions that violate national unification and territorial integrity of other countries. This should be clearly distinguished from concern for human rights.

2. The Chinese Communists will certainly apply pressure on the United States when our country implements a flexible and substantial diplomacy in the future. They may even threaten to downgrade Chinese (Communist)-U.S. relations. Therefore, we hope that the United States will remain firm and aloof in consideration of the independence of our country's sovereignty.

3. The United States should firmly refuse to mediate in the interrelations across the strait and should never interfere in the developments across the strait when implementing the "One China" policy.

Official Denounces Brutality Toward Tibetans
OW0803185189 Taipei CNA in English 1552 GMT 8 Mar 89

[Text] Taipei, March 8 (CNA)—A ranking official in charge of Tibetan affairs on Wednesday bitterly denounced the Chinese communists for using arms against unarmed Tibetan compatriots.

Liu Hsu-tuan, a department chief of the Mongolian and Tibetan Affairs Commission, expressed grave concern over reports that the Peiping regime has responded to bloody demonstrations in Lhasa over the past few days by declaring the city under a state of siege.

He warned that if the communist authorities do not change their Tibetan policy and appease Tibetan compatriots, that part of China could become a timebomb.

Denouncing the communist brutality in suppressing the riots, Liu said his commission will offer support to Tibetans via a number of channels in their fight for freedom and human rights.

The latest uprising in Tibet is the most serious of the more than 50 riots that have occurred since 1959. Liu said that Tibetans have resorted to increasingly violent means to air their grievances, thus indicating the total failure of Peiping's Tibet policy.

Liu said that since the early 1980s, Peiping has been developing Tibet into a tourism attraction and mobilizing inland people to join in the development in a bid to earn more foreign exchange.

As more and more Han Chinese have settled in Lhasa, and more communist cadres have been stationed there, the Tibetans have felt that their livelihood was being threatened, Liu said. He noted that this was a root cause for the recent riots.

Another reason for the latest demonstrations was growing distrust of the communists who have been assuring Tibet since 1951 they would not change Tibetan social structure, he said.

As a matter of fact, since the communists gained control of Tibet, they have not only destroyed much of Tibetan culture but have become despots themselves, constantly breaking their promises to allow Tibetans to rule Tibet, the official said.

Commentary Cites Li on Nation's Growing Influence
OW1703003789 Taipei International Service in English 0200 GMT 16 Mar 89

[Station Commentary: "President Li's Exclusive IHT Interview"]

[Text] The Republic of China on Taiwan got some rather prominent press coverage this week, with an exclusive interview with President Li Teng-hui published in the INTERNATIONAL HERALD TRIBUNE. The President granted the TRIBUNE's Michael Richardson the interview while he was in Singapore last week.

Mr. Richardson's questions center on the topic of the Republic of China's expanding influence in the world community via her economic power.

Richardson first asked if President Li's trip to Singapore was the first move in an effort to break out of the diplomatic isolation that Communist China has tried to impose on Taiwan. Li answered in the negative, saying that his visit to Singapore should be viewed in the context of improving substantive ties with Singapore only.

In reply to a question about Taiwan's investment in Asia, Li told the TRIBUNE that Taipei's unofficial trade, investment and other forms of economic cooperation are expanding rapidly with Singapore and the other members of ASEAN. Li called it a natural extension of the business opportunities and technological transfers that Taiwan has to offer its neighbors in the fast-moving East Asian region.

When asked if Taiwan was trying to use its economic strength to gain favor with nations with which it has no diplomatic relations, Li first reiterated that the Republic of China on Taiwan believes, regardless of the circumstances, that there is no substitute for official relations between two countries. In lieu of official ties, however, the Republic of China will seek to better its people-to-people and other contacts on an unofficial basis with friendly nations.

The subject then turned to Peking's persistent attempts to block Taiwan's relations with other countries. In the past, the ROC on Taiwan would cut ties with any nation

that recognized Peking. This policy, coupled with the fact that Peking was doing everything in its power to shut the ROC off from the international community, created a deepening isolation for Taiwan in the 70's and early 80's. President Li made it clear that the old policy has been discarded in favor of a more flexible and creative approach to foreign policy, vis-a-vis Peking's belligerence. Li told the TRIBUNE that Taipei now does not see other nations' relations with Peking as an obstacle to Taiwan's relations with those same nations.

In answer to a related question, Li said that the ROC could understand why nations such as Singapore and Indonesia are now moving to recognize Peking. But, he said, the ROC would concern itself not with how they deal with Peking, but only with how the ROC on Taiwan deals with them.

President Li asserted that Peking's efforts to threaten and protest against other nations relations with Taiwan are not very effective. He said the ROC on Taiwan would continue to expand its ties with other nations, regardless of what Peking does to stand in the way.

The TRIBUNE interview proved an excellent vehicle for President Li to make clear that the ROC on Taiwan will pursue a more flexible, pragmatic, and aggressive foreign policy, regardless of what belligerence Peking is capable of.

Hong Kong

U.S. Election Resolution Draws 'Strong' Response
HK1703030389 Hong Kong HONGKONG STANDARD
in English 17 Mar 89 pp 1, 2

[Text] A resolution from the U.S. House of Representatives urging the highest possible degree of direct elections for Hong Kong's Legislative Council [Legco] by 1991 has prompted a strong and mixed response from Legco members.

The resolution, which urges the British Government to act to ensure the 1997 takeover by China will not damage democratic rights of Hong Kong citizens, will be introduced today, Hong Kong time.

The 1991 Legislative Council elections will see 10 of its 56 seats opened up to direct elections.

Legco members have described the non-binding resolution, proposed by Congressman John Porter, as both a "declaration of hope," and "detrimental to the efficiency, stability and prosperity of the territory."

But while some Legco members have weighed in with strong opinions, the British Government has reacted to the resolution with indifference. In fact, the British Foreign Office was not even aware of it.

Mr Ian Whitehead, Foreign Office spokesman on Hong Kong affairs, said the resolution was "really not worth worrying about."

"As an individual congressman Mr Porter has the perfect right to put his view, but it is not necessary for the British Government to respond to that view," Mr Whitehead said.

Legislative Councillor Mr Jimmy McGregor, who describes himself as a Social Democrat, said the resolution should not be regarded as U.S. interference in Hong Kong affairs.

"It can be seen more as an attempt to urge China to agree to a form of democracy they have shown no signs of accepting," Mr McGregor said.

But conservative members see it differently. Businessman and vice president of the Chinese Manufacturers' Association, Mr Ngai Shiu-kit said: "Every country has its own ways of bringing about change. Too quick a change for Hong Kong, as the resolution suggests, would be detrimental to our stability."

Another conservative member, Michael Cheng, agrees. "I am quite satisfied with democratic development as it is. A gradual development is better than a radical one," he said.

"If things are introduced too quickly, prosperity and stability are threatened."

Mr McGregor said the resolution recognised the importance of ties between the U.S. and Hong Kong.

"Not just economic ties (the U.S. has over U.S.\$6 billion worth of investment in the territory), but cultural as well. Many Hong Kong Chinese now live in the U.S.," he said.

"The resolution should be given encouragement and support."

Another member, social worker Mr Hui Yin-fat, said: "Any democratic country having some interest in the democratic progress of another should be applauded. I would like to see other countries do it".

Moderate member Mr Ronald Arculli said while he appreciated the concern shown by the U.S. he could not see how it helped.

"Can direct elections be regarded as the cornerstone of democracy and what type of elections would the U.S. want? American style for British style?" Mr Arculli said.

Mr Ngai was critical of the approach of Congressman Porter who sent one of his staff on a flying visit to Hong Kong in January to talk to select Legco members.

"These people come out here for a few days, talk to a few people, but not to business people, then go home and think they know everything about Hong Kong," he said.

Liberal members who spoke to THE HONGKONG STANDARD blame the Basic Law for stifling enthusiasm for direct elections.

"The Basic Law has turned its back on the democratic process in Hong Kong," Mr Hui said.

"We try to provide civic mindedness and encourage people to get involved in issues, but the Basic Law says no."

PRC Seeks Removal of BBC Relay Station by 1997
HK1703025589 Hong Kong HONGKONG STANDARD
in English 17 Mar 89 p 1

["Exclusive" by Stanley Leung]

[Text] The British Broadcasting Corporation's \$100 million relay station in Tuen Mun may be torn down in 1997 when Hong Kong reverts to Chinese sovereignty.

THE HONGKONG STANDARD has learned China has told the British government of its intention to stop the state-funded BBC station operating after 1997.

Approved by the Executive Council, the station was opened in September 1987 to strengthen BBC broadcast services to China and the Far East.

A Post Office spokesman confirmed yesterday the telecommunication licence issued in 1987 would expire in June 1997, the same time the site grant at Tsang Tsui in Tuen Mun runs out.

An informed source said it would be illogical for a sovereign state to allow such a strategically important telecommunication facility owned by a foreign country to stay.

The Sino-British Joint Declaration states that the central government will be responsible for the Hong Kong SAR's [Special Administrative Region] defence and foreign affairs.

On the station's future, the government spokesman said "with expiry being so far away, it is hypothetical to try and guess what will happen when the licence expires".

The source also said the Chinese government would be prepared to hold talks with the corporation if the BBC planned to continue to operate the station after 1997.

Beijing is understood to be against strategic facilities like telecommunications, which could be used for military and other sensitive purpose, being owned by foreign countries.

And it is believed that various options—including pulling down the station or handing it over to the Hong Kong authorities—will be examined.

"Foreign countries should not be allowed to set up their own telecommunication facilities in the territory after 1997 when Hong Kong becomes part of China," the source said.

For instance, it said Teledifusao de Macao has not been allowed to build a relay station in Hong Kong to extend its broadcast services.

The BBC relay station began beaming programmes in Mandarin, English and Japanese to China and the rest of northeast Asia in September 1987.

It was widely believed then that the BBC had secured assurances that it would be "business as usual" even after the territory was handed back in 1997.

Neither the Government nor BBC officials were willing to discuss the issue yesterday, saying the "problem" was too far away.

The station manager, Mr Ken Gibson, said he knew nothing about the future of the station.

He said he was only responsible for the technical operation of the transmitter.

The head of the corporation's Far Eastern Services, Mr Basil Clarke, said in London he saw no reason why there would be difficulties if the station were to continue operating after 1997.

Although he was not responsible for its operation, he said he was confident the station would operate beyond that date.

Other than China, the station is received in Japan and Korea, which were served by a relay station in Singapore.

The opening of the transmitter was part of the BBC's \$1.3 billion 10-year operation to replace worn-out equipment and to find new overseas audiences.

The British government came under parliamentary pressure to build the relay station before the Chinese and British governments started negotiating the future of the territory in 1982.

In July 1981, the Foreign Affairs Committee of the House of Commons made the Hong Kong relay station an issue of prime importance.

The committee said they considered having a satisfactory level of audibility for broadcasts to China a matter of national importance.

The Secretary for Administrative Services and Information, Mr Peter Tsao Kwang-yung, also said the station did not fall within his responsibilities since it served mainly Chinese regions.

But he believed there might have been some form of agreement between the BBC and the Chinese authorities before it began operating.

The British authorities also run a military station in Hong Kong, BFBS, the British Forces Broadcasting Service.

Since the military station is part of the British garrison, it falls under the jurisdiction of the Sino-British Joint Liaison Group which has been examining the pullout of the British garrison as well as the transfer of its military facilities in Hong Kong.

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